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NEWS SUMMARY

GENERAL EEC to restrict aid for Uganda

Foreign Ministers of the Nine have joined Commonwealth leaders in deploring violations of basic human rights in Uganda. They have agreed to withhold any EEC aid which could contribute directly to maintaining President Idi Amin's regime in power.

The move was made at the urging of Dr. David Owen, Foreign Secretary, who said that he had information that President Amin was alive and unharmed in spite of recent reports that he might have been assassinated.

Helmut Schmidt, West German Chancellor, last night survived a Parliamentary censure vote—one of a series of moves being made by the Opposition to try to split and defeat the Government position.

President Assad of Syria and Mr. Assir Arafat, chairman of the Palestine Liberation Organisation, have decided to take a harder line against Israel in relation to his U.S. peace initiative for the Middle East.

France and Italy have agreed to operate in negotiations on the Greek application to join the Common Market after pressure from their EEC partners.

A Peterborough businessman wants to give away his manufacturing business because of increasing paper costs caused by legislation. The successful applicant will not require capital or be involved in any financial outlay but must be prepared to work a 50-hour week.

Chris Evert made a solid start to defence of her Women's Singles Title when she defeated Rux Gerraldie 6-0, 6-2. Jimmy Connors showed no signs of being worried or hampered by his injured right thumb, as he took an impressive 6-3 6-2 6-4 victory over Richard Lewis.

A hijacker who seized a Chilean Airlines Boeing 727 with 78 people aboard surrendered without a struggle at Mendoza Airport, Argentina, after demanding to be flown to Algeria.

Dr. Kurt Waldheim, U.N. Secretary-General has intervened personally in an effort to end a 40-day hunger strike at the J.N. Commission headquarters in Santiago by relatives of Chilean political prisoners.

Table with 2 columns: Item and Price Change. Includes RISES, FALLS, and COMPANIES.

Unemployment jumps to post-war record of 1.35m.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

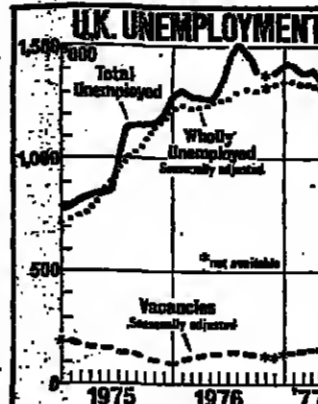
The number of people out of work in the U.K. has risen sharply in the past month after declining in three out of the four previous months. The increase more than cancels the earlier falls and is more in line with most economic projections in view of the depressed level of activity.

The Department of Employment announced yesterday that adult unemployment in the U.K. rose by 38,500 in the month to 1,350,000 on a seasonally adjusted basis. This is a post-war record level and is equivalent to 5.7 per cent of the workforce.

The number of school-leavers out of work has also begun to rise sharply—up 104,000 last month to 149,000. This accounts for almost all the rise of 108,384 in the unadjusted total to 1.58m. Most of the rest of this year's school-leavers will come on to the labour market—and many also on to the register—during the next month.

Last year, the peak figure for school-leaver unemployment was 208,500 in July. This total still exceeded this summer, even though the figure should fall quite sharply from the early autumn onwards.

Consequently, it is possible that the unadjusted total will approach or exceed 1.6m next month; the previous post-war peak for the unadjusted figure was 1,502m, last August. The news is likely to increase pressure for a further package of measures before the end of the present Parliamentary session. The Government is at present considering a Manpower Services



U.K. UNEMPLOYMENT. Total, Seasonally adjusted, Weekly, Unemployed, Vacancies, Vacancies unfilled.

Callaghan demands total loyalty from MPs

BY RICHARD EVANS, LOBBY EDITOR

MR. JAMES CALLAGHAN attempted yesterday to stamp his authority on the divided Parliamentary Labour Party by warning that unless unity was restored there would be a General Election in which Labour was certain to be heavily defeated by the Conservatives.

Table with 2 columns: Features and On Other Pages. Lists various news items and their page numbers.

Brezhnev, Giscard at odds in talks. Rees promises Grunwick police inquiry

BY ROBERT MALITHNER. BY NICK GARNETT AND PHILIP RAWSTORNE

PARIS, June 21. SIGNIFICANT DIFFERENCES between the Soviet Union and France over detente and disarmament arose to-day in talks between President Leonid Brezhnev, who arrived in Paris on a three-day official visit yesterday, and his host, President Giscard d'Estaing.

In their second round of talks in the Chateau de Rambouillet, where Mr. Brezhnev is staying, the two leaders were officially said to have had a "frank exchange of views," a term which Communist spokesmen usually employ to indicate a lack of agreement.

Mr. Giscard's insistence on human rights is an indication that France will join fully in pressing this issue at the Belgrade follow-up conference on the Helsinki agreements.

It is clear too, that Mr. Giscard seeks an undertaking from Mr. Brezhnev that Russia will do nothing to ignite the already explosive situation in Africa.

Mr. Brezhnev questioned his host about France's defence policy, which the Russians consider has moved closer to Nato.

M. Jean-Philippe Lecat, the French President's spokesman, said Mr. Giscard set out four conditions for relaxation of East-West tensions.

These were a moderation of the ideological battle; respect for human rights and basic freedoms; non-interference in internal affairs of other countries; and an extension of detente beyond Europe.

The point about easing the ideological conflict between East and West must have struck home to Mr. Brezhnev.

It was the French President's public advocacy of "ideological detente" that led the Soviet leader to put on a meeting arranged with Mr. Giscard during his last official visit to Russia in October 1975.

The exchange on disarmament, only briefly reported by their spokesman, made it plain that Mr. Brezhnev failed to persuade Mr. Giscard either to participate in the Annual Force Reduction talks in Vienna or in negotiations to limit strategic weapons, of which France has only a small stock.

Mr. Leonid Zamyatin, head of Tass news agency, speaking for the Russians, said Mr. Brezhnev sharply criticised the U.S. for continuing "ideological competition" with "ideological warfare."

The policies advocated by Mr. Zbigniew Brzezinski, President Carter's national security adviser, were tantamount to interference in the Soviet Union's internal affairs, and could lead to resumption of the cold war, he said.

Continued on Back Page

Luncheon Vouchers advertisement with logo and contact information.

Goldsmith Express bid fails

BY MAX WILKINSON, INDUSTRIAL STAFF

SIR JAMES GOLDSMITH'S plan to take control of the Daily Express newspaper group was frustrated yesterday by a decision of the Beaverbrook family Standard are all trading at a profit. But rising costs could quickly put the Standard and reject a proposal to enfranchise the "A" shares.

This was the central condition in a rescue proposal put to the Beaverbrook family by Sir James and Mr. Tiny Rowland, chief executive of Lorch.

Sir James's Cavenham foods group holds 40 per cent of the deal which could give Beaverbrook £13.5m in exchange for its building and printing machinery. The original plan to close the Standard and the News and to replace them with a single London evening paper has been abandoned.

The group has been advised by its bankers that it will need substantial capital in the next few years. Some Beaverbrook executives believe they will need £10m to pay off debts and invest in the Daily Express.

Table with 2 columns: Features and On Other Pages. Lists various news items and their page numbers.

Luncheon Vouchers advertisement with logo and contact information.

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LOMBARD

The all-powerful Japanese

BY GEOFFREY OWEN

Many Western businessmen regard Japanese industry with a mixture of dread and envy. Massive investment in modern facilities, a labour force with an almost inhuman dedication to work, unwavering support from the Government—all this is seen as a threat to the very existence of those Western industries which the Japanese choose to attack.

For people who think like this I recommend a visit to the Tokyo headquarters of the Ministry of International Trade and Industry (MITI), that supposedly all-powerful agency which is thought to guide and foster Japanese companies, for a talk about the problems of the textile industry. This is what they would hear:

Surplus

Does this mean that Japan's great export drive is running out of steam? The large and apparently growing surplus on visible trade clearly shows that this is not the case. There are important sectors—steel, motor vehicles, consumer electronics, parts of engineering—which are outstandingly competitive and have a lead in the U.S.

Similar

It is remarkably similar to what one would have heard from Britain's Board of Trade some twenty years ago, before Court stunts and others had set about reorganising the Lancashire textile industry. Japanese textiles are losing out in export markets to South Korea and other South East Asian countries; within Japan there is strong pressure for import protection. Although there are Government incentives to encourage mergers and the scrapping of obsolete machinery, MITI has no magic wand with which to transform the industry.

Dartmoor clash between Beauty and the Army

BARONESS SHARP recommended changes in defence land holdings on Dartmoor in her report on the use of more than 30,000 acres of the Devon beauty spot for training by the armed forces.

But in a statement published in the firm of a White Paper Mr. Fred Mulley, Defence Secretary, and Peter Shore, Environment Secretary, recognised in her words that military training and a national park were "disorderly, incongruous and inconsistent".

The White Paper stressed that although the Government would like to see the demands of military training reduced on Dartmoor neither Parliament nor successive governments had accepted that the purposes of national parks were paramount.

The Defence Ministry will investigate the possibility of transferring small arms firing to a range at Willworthy to a new range of the three possible sites in Cornwall. Lady Sharp said one of these three possibilities, Davidston, on Bodmin Moor, seemed the most likely prospect.

WIMBLEDON

BY JOHN BARRETT

Solid start by Evert

CHRISTINE EVERT made a solid start in defence of her women's singles title on another cheerless day at Wimbledon yesterday when she defeated fellow American Rula Gerulaitis 6-0, 6-3. Despite the weather, 26,000 fans crowded into the ground.



Christine Evert shows her usual determination

Miss Gerulaitis, who is 21 and ranked No. 19 in the United States, managed only ten points in a one-sided first set which lasted 20 minutes.

Miss Evert conceded only four points in three service games and the blonde Miss Gerulaitis, patriotically decked out in a skirt with red, white and blue hem, was several times moved to applaud her opponent's accurate placements.

After Miss Evert had extended her run of consecutive winning games to seven, Miss Gerulaitis decided to go on to the second set. She produced a series of hard, flat ground strokes, of which her elder brother Vitas would have been proud.

There was also the ugly sound of boos and catcalls on Centre Court when Jimmy Connors appeared for his delay match with the Middlesex left-hander Richard Lewis. The packed court's reaction followed Connors's failure to appear at Monday's centenary presentation of commemorative medals to former champions.

SALEROOM

BY ANTONY THORNCROFT

Feather cloak for £140,000

THE RECENT interest in tribal art was well maintained at Christie's yesterday, when a sale devoted to Hawaiian and Maori art totalled £234,700.

A magnificent Hawaiian cloak, made of half a million yellow and red parrot feathers, fetched the exceptional price of £140,000 (plus the 10 per cent buyer's premium). It was bought by the London dealer Art Feathers, where it was part of the taxes paid by Hawaiians but only men of rank could make the cloaks.

BY ANTONY THORNCROFT

Feather cloak for £140,000

Other prices way above forecast were the £38,000 for a New Zealand wood canoe stern ornament, originally owned by an explorer, and a Maori door lintel.

A Geneva collector bought a preserved human head—that of a New Zealand native killed by a blow on his temple—for £12,000, six times the forecast, with a chief's head went to a New York collector for £3,500.

Television for adults only

BY ARTHUR SANDLES

A SERIES of late-night "X" rated cinema films will be put out by Independent Television this summer under the title For Adults Only. The films will be shown on Monday at 10.30 from Monday to Friday.

BY ANTONY THORNCROFT

Feather cloak for £140,000

Indian art sold previously at Christie's, the Hooper collection brought in £12,135,942.

TV Radio

- 17.05 "Please Turn Over" starring... BBC 1... 6.40 a.m. Open University (UHF only)... 10.45 X and Y...

ANGLIA

- 1.25 a.m. News... 2.25 The Lunchtime Show... 3.25 The Saturday Show... 4.25 The Sunday Show...

SCOTTISH

- 1.25 a.m. News... 2.25 The Lunchtime Show... 3.25 The Saturday Show... 4.25 The Sunday Show...

F.T. CROSSWORD PUZZLE No. 3411

A crossword puzzle grid with numbers and some filled-in letters. A handwritten note 'Jury 1, 20, 30, 50' is written vertically on the left side.

CHANNEL

- 1.25 a.m. News... 2.25 The Lunchtime Show... 3.25 The Saturday Show... 4.25 The Sunday Show...

YORKSHIRE

- 1.25 a.m. News... 2.25 The Lunchtime Show... 3.25 The Saturday Show... 4.25 The Sunday Show...

FIRST TEST

BY TREVOR BAILEY

Fade-out with honours even

THE JUBILEE Test ended, as expected, in a draw, but not before there had been a considerable amount of excitement at Lord's.

These two body blows effectively ended Australia's hopes of victory. It has been a good and always interesting match on a splendid pitch, which has emphasised the smallness of the difference between the two teams.

Australian captain Greg Chappell catches Bob Woolmer for 120 off Len Pascoe's bowling

England began the final day at 189 for 2, with Woolmer on 114 and Greig on 118 against the bowling of Thomson and Walker. Everything suggested a draw, and in the opening overs the batsmen were obviously concentrating on avoiding defeat.

- ACROSS: 1 Full of drink or juice (6, 2)... 6 Proposal clearly visible on river (8)... 11 Invariable assistant to tear about? Certainly (8)...

- RADIO 1: 1.25 a.m. News... 2.25 The Lunchtime Show... 3.25 The Saturday Show... 4.25 The Sunday Show...

- RADIO 2: 1.25 a.m. News... 2.25 The Lunchtime Show... 3.25 The Saturday Show... 4.25 The Sunday Show...

RACING

BY DOMINIC WIGAN

Challenge for Lester Piggott

LESTER PIGGOTT makes one of his now rare appearances at Salisbury this afternoon, principally to ride Silk Jim in the early start of the Gwens Blagrove Memorial Stakes.

Blagrove Memorial Stakes. Piggott has another likely-looking mount in the Gwens Blagrove Memorial Stakes, which he will be interesting to see him in a fall victory over the field.

Half an hour before the Gwens Blagrove Memorial Stakes.

EUROPEAN NEWS

Overture to Comecon from the Community

By Guy de Junquieres, Common Market Correspondent

LUXEMBOURG, June 21

THE LEISURELY gavotte between the European Community and Comecon gathered a little speed today, when EEC foreign ministers formally proposed that the two sides should hold preliminary talks on establishing closer relations in Brussels next September.

The meeting has been suggested in a letter sent to the President of the Comecon Executive Committee, Mr. Olszewski, by the British Foreign Secretary, Dr. David Owen, who signed it in his capacity as current President of the EEC Council of Ministers.

The Community will be represented at the planned talks, intended as a prelude to formal negotiations, by a delegation composed of the EEC Council presidency, which will be accepted by Belgium during the second half of this year, and the European Commission.

The commission will be given exclusive authority to speak on all matters of substance, with the EEC presidency dealing only with questions of procedure.

This formula is designed to underline the EEC's insistence that it is entering the talks as a unified body.

The Community refuses to accord Comecon a similar status, however, because of the tight grip exercised on the organisation and its East European members by the Soviet Union.

Thus the EEC is prepared to contemplate relations with Comecon as such extending only to co-operation and the exchange of information on trade statistics and similar economic and technical data.

The EEC foreign ministers also agreed that the Community should extend its current licensing system for Soviet, Polish and East German fishing vessels in the EEC's 200-mile zone of the North Atlantic and North Sea, reports AP-DJ.

The licensing system, established as a temporary measure at the start of the year for the first quarter and prolonged for the second quarter, will be extended for another quarter.

Editorial comment, Page 16

Hard Soviet line on agenda endangers Belgrade talks

BY PAUL LENDVAI

BELGRADE, June 21

THE SOVIET bloc today took an exceedingly hard line at the preparatory talks for the 38-nation conference to review European security in October. The fate of the autumn meeting now depends on whether the USSR will accept a compromise agenda, which is expected to be presented at tomorrow's meeting on behalf of the nine non-aligned nations by the Austrian delegation.

In view of the complete deadlock, an informal working group of these nations (Austria, Switzerland, Sweden, Finland, Yugoslavia, Cyprus, San Marino and Liechtenstein) has been working since yesterday on a compromise proposal based on Austrian initiatives.

The growing isolation of Moscow, which can rely only on its most faithful allies here, and the increasingly important role played by the non-aligned nations, are the most important trends which have emerged at the preparatory meeting.

At the initiative of Bulgaria, the afternoon plenary meeting was cancelled in order to give the delegations time for informal talks. At the same time, the USSR rejected a Finnish proposal for moving to the next point of the agenda, the discussion of the organisational arrangements.

Mr. Peter Sommerscales, the leader of the British delegation, supported the Finnish proposal and stressed that Britain wanted the meeting to progress as quickly as possible. He also vigorously defended a draft agenda put forward by the U.K. on behalf of the EEC, and co-sponsored by the U.S., against Eastern bloc criticism.

In informal talks today, the Soviet delegates showed no signs of flexibility. They insist on a general and completely unstructured discussion next autumn. Mr. Juli Vorontsov, the Soviet chief delegate, spoke out in favour of a free and thorough exchange of views based merely on five lines of the

follow-up provisions of the agreement on European Security reached in Helsinki in 1975.

Meanwhile, the Romanian delegation gave notice here at two closed meetings that it refuses to echo the Soviet bloc line regarding the agenda for the October conference. It stressed that the main conference should be neither a mere epilogue to the 1975 conference nor a simple "consultation."

The Romanians complained that both the Soviet and the British-U.S. draft agendas emphasised an exchange of views, instead of also providing for new proposals which should guarantee the continuation of multilateral activities in an organised form.

It is understood that the Romanian statements—which, with regard to the decision-making powers of the autumn conference, went beyond the British-U.S. proposal—have caused profound irritation among Soviet bloc delegates.

Mitterrand remarks spark new row on Left

Another quarrel has broken out between the French Socialist and Communist parties, the main partners of the country's left-wing alliance, following public criticisms of Communist policies by M. Francois Mitterrand, the Socialist leader.

Robert Manthier writes from Paris that the Communist leadership postponed yesterday's meeting of the alliance's working group which is discussing a revision of a common programme, to give the Communists time to analyse what they described as M. Mitterrand's "aggressive" remarks.

The French demands, which surfaced during the latest round of negotiations with Greece earlier this month, contrasted sharply with public pledges of support made recently by President Giscard d'Estaing and senior members of the administration in favour of the Greek application. French tactics have particularly angered Britain and Germany, which have argued strongly in favour of admitting Greece as soon as possible, and also of enlarging the community to include Portugal and Spain.

The French and Italian Governments agreed to cooperate fully in the Greek negotiations at today's meeting of EEC Foreign Ministers, after the European Commission promised to give a high priority to the agricultural problems arising from future EEC enlargement.

The Commission President, Mr. Roy Jenkins, promised to provide, within the next few weeks, papers examining structural difficulties in the farm sector and problems likely to be caused by enlargement in particular agricultural markets, notably in France and Italy.

He said, however, that further enlargement would also have far-reaching implications for the EEC's broader economic situation, and its regional, social and industrial policy.

Commission would try to draw up new proposals on these questions by the end of this year.

Mr. Jenkins warned that the seeking solutions to these problems, the community should take care not to damage relations with northern Mediterranean countries, the functioning of the CAP or its external trade policies. He cautioned that his promises to-day go to meet French demand that the EEC adopt a "policy unwavering in its further enlargement of the situation, and its regional, social and industrial policy."

In the view of many observers, France is concerned most by the prospect of a Spanish membership of the community, which would mean the loss of its blocking tactics on Greek negotiations, which are designed to extract a "review" of the whole of the EEC or its external trade policies.

According to the association, the industry's output last year totalled 357,400 vehicles of all types. On a weighted basis production just 1 per cent lower than 1976, but output reached 350,200 units—9 per cent higher than output in March 1976.

During the first five months of 1977, car and estate production reached 1.6 million units—9 per cent more than the same period last year, but during the same period, car production was "measurably" below last year's output.

Output in the last five months of 1976, however, was 1.38 million units, a 13.6 per cent increase on the same period of 1975.

France, Italy not to delay Greek application to EEC

BY GUY DE JUNQUIERES, COMMON MARKET CORRESPONDENT

LUXEMBOURG, June 21

FRANCE and Italy agreed today under pressure from their Common Market partners, not to seek to delay negotiations on the Greek application to join the EEC until the nine had agreed on reforms of the common agricultural policy (CAP).

France, in particular, had been criticised for insisting that important changes should be made in EEC policies for products like citrus, wine and Mediterranean vegetables, before a final decision was taken to admit Greece.

The French demands, which surfaced during the latest round of negotiations with Greece earlier this month, contrasted sharply with public pledges of support made recently by President Giscard d'Estaing and senior members of the administration in favour of the Greek application. French tactics have particularly angered Britain and Germany, which have argued strongly in favour of admitting Greece as soon as possible, and also of enlarging the community to include Portugal and Spain.

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W. German vehicle output

BY GUY HAWTHIN

FRANKFURT, June 21

FIGURES PRODUCED by the industry's output association appear to lend credence to some manufacturers' belief that the industry's output is nearing its peak. Although car production is still well above last year's levels, real output appears to have slowed slightly in the past couple of months.

At the same time, commercial vehicle production, which remained strong during 1976, has noticeably softened during the first five months of the year. Output was 3 per cent ahead of performance in 1976, but during April production on a work-day basis fell slightly below that of the same months last year, while May's output was down by about 6 per cent.

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Medvedev deplors U.S. method

BY DAVID SATTER

MOSCOW, June 21

MR. ZHOLES MEDVEDEV, a Soviet dissident who has been severely criticised by other dissidents including Yuri Sakharov the Nobel Peace Prize winner, said today that President Carter's defence of Soviet dissidents cannot be considered or "most progressive" country interference in Soviet internal affairs, but nevertheless the question of observance of human

rights by the super powers cannot be decided on the basis of criticism or pressure. Ideology in the Soviet Union is not a farce, and whatever might think of the Soviet claim to be "most outstanding" or "most progressive" country interference in Soviet internal affairs, but nevertheless the question of observance of human

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attributed the diplomatic successes of the former U.S. Secretary of State, Dr. Henry Kissinger to the fact that he never tried to slight the prestige of the Soviet Union or of other countries.

The Soviet decision to remove a provision for the right of free exit from the Soviet Union from the draft text of the new Soviet Constitution at the height of the U.S. campaign for the right of free Soviet emigration illustrates the Soviet attitude to appearing to yield to outside pressure.

Mr. Medvedev said a Central Committee secretary supervising work on the Constitution explained the deletion of the right to emigrate on the grounds that the "West" would think it had been adopted under pressure.

Besides arousing Soviet resistance, President Carter's human rights campaign may create illusions among the dissidents themselves, he said. The U.S. knows the propaganda value of citing human rights abuses in the Soviet Union but whether the defence of human rights will be the long-term basis of American policy towards the Soviet Union is doubtful.

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Danish newspaper published again

DENMARK'S oldest newspaper, Berlingske Tidende, reappeared yesterday after being shut for about five months by the Communist and most bitter labour disputes since the war, writes our Copenhagen correspondent.

Evan Mr. Anker Jorgensen, the Social Democratic Prime Minister, welcomed the return of the 228-year-old conservative newspaper, stressing the employment issue. In an article in the newspaper he warned Danes against thinking that only governments sought to remove or restrict the freedom of expression.

The refusal by the International Labour Organisation (ILO) to adopt the report of its committee on the application of labour standards is a setback for the ILO, and marks a further step in the escalation of political issues within this agency, writes David Egli from Geneva.

Arab states argued that it was improper for the committee to consider Israel's application in respect of the ILO convention which bans discrimination in hiring employees. The report, which reviewed situations in about 80 countries, was approved by 133 delegates, with none against. However, the Arab countries, the Communist bloc and a substantial number of developing countries abstained, and the required quorum was not reached.

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MOVE TO STRENGTHEN CARTEL OFFICE

Bonn vote on anti-trust policy

BY A. H. HERMANN

THE POWERS of the West German Federal Cartel Office will be increased, and the country's competition policy tightened if the Bonn Cabinet approves outline legislative proposals on its agenda for today's meeting.

The outline prepared by the Ministry of Economics does not go along fully with the Monopolies Commission's recommendations for much stronger control of mergers and abuses of market power: the subject remains a matter of controversy between the ruling coalition of the Christian Democrats and the opposition Social Democrats.

However, the agreement about the need to amend the 1973 Competition Act, although the report to be less comprehensive than had been requested by the Social Democrats' committee concerned with competition matters.

The Free Democrats' ascendancy in this field is also seen by some observers in the recent reorganisation of cases listing within the Cartel Office introduced by its new President, Herr Wolfgang Karthe, a Free Democrat. This reorganisation is said to have reduced somewhat the prominence of the mergers and anti-trust cases which chairman, Herr Kurt Markert, plays an active role in the formulation of the Social Democratic Party's competition policy.

The draft resolution submitted to the Cabinet by the Ministry of Economics does not openly reject the two most radical recommendations of the Monopolies Commission—that the Federal Cartel Office should be given power to break up large monopolies enterprises and that banks should not be allowed to acquire more than 5 per cent of equity in non-banking enterprises. But it suggests that the time is not yet ripe for discussion of these proposals.

The enactment of powers for breaking up of monopolies should be discussed, according to the draft, only if and when improved means of monopoly control have proved ineffective. Any decisions on measures designed to stop the growth of the industrial empire of German firms should await the report on the "Fundamental Problems of Banking" by a Commission appointed by the Ministry of Finance next spring.

However, the Ministry of Economics accepts the view that the large number of take-overs by the top hundred German companies has been reducing the competition within the German economy. The Ministry is particularly opposed to penetration of large companies into those sectors of industry in which small and medium-size enterprises predominate.

It recommends that no special exceptions should be enacted for recent mergers and that control should be extended under the present DMSO. threshold include also the acquisition of enterprises with an annual turnover between DM20 and DM500. The draft also recommends favourable consideration of Monopolies Commission's proposal that there should be an assumption of increased market dominance whenever competition with turnovers exceeds DM100 million, participate in a merger adds up to more than DM100 million.

While conceding a certain tightening up of the law in the field of merger control, the Ministry of Economics is seen to reflect the opposition of German industry to any measures for more effective control of abuses of market power.

It suggests that the Cartel Office should continue notoriously futile attempts to curb abusive pricing on the part of the present law as competition law is required before legislative proposals are made. The Ministry of Economics is also left no doubt that it is strongly opposed to the introduction of private anti-trust actions by those who are damaged by monopolies restrictive practices. It recommends that no special exceptions should be enacted for recent mergers and that control should be extended under the present DMSO. threshold include also the acquisition of enterprises with an annual turnover between DM20 and DM500.

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Congress opposition to interest proposals

By Our Own Correspondent

WASHINGTON, June 21. CARTER ADMINISTRATION proposals to allow banks to pay interest on individual current accounts and to allow the Federal Reserve to pay interest on reserves deposited by member banks ran into strong opposition in Congress yesterday afternoon.

Mr. Michael Blumenthal, the Treasury Secretary, and Dr. Arthur Burns, the chairman of the Fed, both supported the principle of interest payments on current bank accounts which have been tried in a limited way in some New England states. They also supported the need for the Fed to pay its member banks interest on their deposits with the U.S. Central Bank saying that it was important if the decline in bank membership of the Fed was to be stemmed.

But Senator William Proxmire, chairman of the Senate Banking Committee, before which both men were testifying, said that he was "troubled" by many aspects of the proposals which would amount to a bonanza for the banks. Congress wanted the payment of interest on current accounts in 1933 following what were then described as un sound banking practices in the 1920s.

However the ban was repealed in 1932 and the Congress allowed interest-bearing current accounts in six New England states where they have been so successful that two-thirds of the financial institutions in the six states now offer them to their customers.

Yesterday's opposition to the proposal from committee members coincided with a clear disagreement between Mr. Blumenthal and Dr. Burns. The Treasury and the Fed have been unable to agree on a ceiling for the amount of interest the Fed should be able to pay its member banks on the deposits equal to 7 per cent of demand deposits that they keep on account with the Fed.

As presented to the Senate yesterday the bill proposes a ceiling of 10 per cent of the Fed's earnings but Dr. Burns said that this would not make any difference to banks faced with the extra cost of funding the payment of interest on current accounts.

U.S. consumer prices rise more slowly during May

BY DAVID SELL

WASHINGTON, June 21.

CONSUMER prices in the U.S. rose more slowly last month, the Labour Department reported today, pointing to a much smaller rise in food prices as the principal cause.

Last month prices climbed 0.6 per cent, compared with 0.8 per cent in April while food prices rose 0.7 per cent, compared with 1.5 per cent in the month before. This translates into an annual rate of inflation of about 7.4 per cent, about 1 per cent higher than the Carter Administration's target for the year.

However, Administration year. Last month these earnings, economists note that the recent slowing in the rate of increase and inflation, rose 0.1 per cent in the wholesale price index has after falling 0.2 per cent in yet to be fully reflected in the April.

Apart from the slower trend in food price rises, which is expected to continue, though less markedly, other components of the consumer price index are reported this morning that the little changed. There was some relative moderation in the rate of inflation has led to a slight rise in no food commodity prices was held to 0.4 per cent for the second time this for the third month in a row.

U.S.-Soviet talks on Indian Ocean

By David Satter

MOSCOW, June 21.

U.S. CHIEF arms negotiator Paul Warnke arrived in Moscow today to continue discussions with the Soviet Union on demilitarising the Indian Ocean, a favourite Soviet project.

The Russians have called for the elimination of foreign military bases in the Indian Ocean and have charged that the U.S. is building up a "whole network of strong-points" there, including an expanded base on the island of Diego Garcia which serves as a communications centre for all U.S. warships in the ocean.

The Communist Party newspaper Pravda has charged that "imperialist forces" have noticeably stepped up their activity in the Indian Ocean with a view to putting vast territory adjacent to the ocean under the control of U.S.-connected military bases.

The current meeting will continue the work of a U.S.-Soviet working group set up during talks here in March by Secretary of State Cyrus Vance to deal with military competition in the Indian Ocean.

The Soviet Union admits having a facility of its own on the Indian Ocean at Berbera in Somalia and Western diplomats believe it to be a military base. The call for Indian Ocean demilitarisation, however, has been an important element of Soviet-South Asian policy and was included in a joint Soviet-Indian communique following the visit to Delhi of Soviet Foreign Minister Andrei Gromyko in April.

Protests in Peru at austerity campaign

BY NICHOLAS ASHESHOV

LIMA, June 21.

THE PERUVIAN Government's austerity campaign announced earlier this month by the new Economy Minister, Sr. Walter Alva, in an attempt to counter the severe foreign exchange crisis, has been greeted with widespread demonstrations of protest. Police have had to be called out in a number of cities up and down the country.

The rise in the retail price of petrol, a measure aimed at strengthening the financial situation of Petroperu, the State oil company, has been badly received by the powerful road transport lobby. The transport industry's decision to pass on the rise to the consumer and in particular, the rise in bus fares have sparked off a number of demonstrations.

In the ancient Inca capital of Cuzco, in the southern highlands, a modified form of martial law is being enforced, with an all-night curfew, following street riots last week by students and peasant groups protesting against the Government's latest financial moves.

In Lima, too, there was unrest following the announcement of the measures. Approximately 50

people, originally described as students but who almost all turned out to be schoolboys aged between 14 and 16, were arrested during clashes with riot police in the lower-class Rimac district of Lima. Security police say they are still holding the majority of them.

The incidents in Cuzco and Lima were the worst of the reactions so far to an economic situation which, from the point of view of wage and salary earners, and of course the great mass of the unemployed and underemployed, is clearly becoming increasingly difficult to support.

Army and police officers privately admit, however, that they were expecting much worse, but add that they do not yet know whether things will remain quiet or whether a really serious outbreak is brewing. One senior officer's opinion is that although there will be isolated strikes and minor civil flare-ups, there will be no mass reaction at least within the next four or five months.

Bankers in New York are expecting a massive rescheduling later this year of the country's foreign debt.

Court revives abortion debate

BY OUR OWN CORRESPONDENT

WASHINGTON, June 21.

THE ISSUE of abortion, which dogged President Carter during his election campaign and remains one of the most contentious in America, returned to centre stage today after a Supreme Court decision returning to state and local authorities the right to decide whether to pay for abortions for people on social security.

The Supreme Court legalised abortion in 1973 since when there has been fierce debate whether the Federal and State Governments should pay for abortions performed under the Medicaid system. This system provides medical care for the poorest people in the U.S., many of whom are on welfare or social security.

President Carter said last year that Government funds should not be used for abortions. He personally opposed abortion. The Supreme Court's decision legalis-

ing it must be respected, he said, but the Court had never ordered states to pay for abortions and neither states nor the Federal Government should be compelled to do so.

In effect, the Court yesterday agreed with this position, as does the powerful Right to Life movement which opposes all abortion. The Court insisted that nothing in the Constitution compels states to pay for abortions and that it should be up to each state, and even each city, to decide whether to subsidise abortions for the poor, of which 300,000 were performed in the U.S. last year.

This ruling appears to open the door for a return to the situation before 1973, when poor people, for by States or the Federal Government if they have to be abortions, were pushed towards back street abortionists, often with tragic results. Sen. Bob Packwood of Oregon said last night that the decision was un-

fair and discriminated against poor women, and his views were echoed by others who favoured more liberal abortion laws.

The Planned Parenthood Federation, for example, said the court decision re-establishes the fact that "the poor are second class citizens and, as patients, unequal to the more affluent in their opportunities for service."

Meanwhile Congress is considering a Bill to prohibit the Government from using Federal funds to finance abortions and its sponsors hope the Court decision will boost its passage.

Both this law and the court decision appear to leave one hole: abortions must still be paid for by States or the Federal Government if they have to be performed for clearly "therapeutic" reasons. It now seems likely that there will be much argument about the definition of night that the decision was un-

Congress blocks saccharin ban

The U.S. House of Representatives voted yesterday to block for a year a Food and Drug Administration proposal to ban on saccharin, a sweetener used in soft drinks. The House rejected arguments that the move was unwise because of new evidence linking the artificial sweetener with cancer. The House approved by sending votes an amendment that would forbid the FDA from using federal money to promote or enforce the ban until September next year. The provision was attached to a measure carrying \$2.7 bn. to fund the Agriculture Department and related agencies for the new fiscal year starting in October.

CALIFORNIA REAL ESTATE

House prices going through the roof

BY ART GARCIA IN SANTA BARBARA

THE COST of houses, old and new, is soaring in California. Here are quick speculative profits to be made, but many people find that prices have risen beyond their reach.

An aerospace company in Santa Barbara has openings for 10 engineers to meet demands of a recently awarded Government contract. Normally it has a waiting list of applicants eager to move to the pleasant coastal community from big cities or colder areas. But home prices having doubled in the past three years, the biggest short edge is being felt in the past 12 months—the candidates simply cannot afford to move in. Most of the 40 jobs still remain unfilled.

The \$71 bn. California mortgage market has been fuelled by multiple mortgage financing, primarily from the state's untapped savings and loan associations, but increasingly by commercial banks as well. As boom began in 1975, as money for mortgages returned to the market on the strength of heavy new inflows of savings, loan commitments in March were a record \$4.2 bn. up 40 per cent from the end of 1976. Demand has become so strong at builders in California have started to drawing lots to select buyers of their houses. Mortgage lenders have increased their interest rates to 12 per cent in the face of a demand that is heavier than they can handle. To help curb the outbreak of speculative fever, they are charging borrowers who do not intend to live in the homes they buy, even higher interest rates, and down payments. Many amateur and professional speculators are trying for quick appreciation and then repeat the process with tidy profits they can rake in.

Speculators

In some parts of the San Francisco Bay area, homes 60 days from completion are offered for resale at prices well above the original builders' cost. Mostly these are speculative profits covered by brokers but individual speculators also are joining the game, often borrowing against the equity that has built up in their own home to buy second houses, condominiums, or small apartment buildings.

A study by the Real Estate Research Council of Southern California shows that a typical home selling for \$30,000 in 1970 gained in value to \$38,000 in 1974. In 1975 it sold for \$50,000, a year later was worth \$60,000, and in April 1977, was the market for \$85,000. In some areas, house prices have risen by more than 3 per cent a month for the past two years. Advance Mortgage Corporation subsidiary in a big New York City, found in a study of specu-

lation in the home buying market that of 230,000 units for which building permits were issued in California last year, an estimated 15,000 to 20,000—between 7 and 10 per cent—passed through speculative hands. The Federal Reserve Bank of San Francisco says that in areas of strongest demand, speculative buying of residential units has reached 10 to 20 per cent. In one county salesmen believe that up to 40 per cent of new-home buyers there are looking for a quick price rise, rather than a family home.

As the profits have grown, so have the warnings from housing experts grown in intensity. There may be unpleasant surprises in store for inexperienced persons who are jumping in, confident that they will be able to sell their investment properties to someone else at a profit. The bubble is likely to burst by the end of 1977, or in early 1978. Mr. Maurice Mann, president of the Federal Home Loan Bank in San Francisco, predicts that the supply of houses in California will catch up with demand by the end of 1977.

Oversupply

"There could even be a slight oversupply of housing when the year comes to a close," he says. Mr. Harry Volk, chairman of the Union Bancorp in Los Angeles, similarly sees a "leveling off" of residential real estate market within a year.

Meanwhile, homes in areas such as Santa Barbara continue selling within days, sometimes even hours. A neighbour recently sold his house for \$180,000 without listing or advertising it. A few telephone calls to neighbours and friends announcing that it was on the market resulted in an overnight sale to the first family to respond. Cocktail conversation centres on real estate success stories, replacing sex, sports and politics as the main topics. Mr. John Doherty, who moved from New York last autumn to head the research department of Sutro and Co., a conservative regional securities investment firm in San Francisco, says: "At parties strangers of only an hour before volunteer what they paid for their home and what it is worth now — to an easterner a subject about as fit for discussion as one's income level."

He has listened in amazement to housewives telling of plans to obtain real estate licences and earn commissions that would dwarf their husbands' salary. All in their spare time. "I sold two houses in a risk-free investment, that even if prices stopped going up they could not come down," he comments. "It sounds great. But I rented an apartment because I do not believe it." Some people in London will know what he means.



All shapes and sizes of firms are joining the New Gas Era.

Big new gas supplies come ashore from the North Sea this Autumn. When fully operational they will increase gas availability by nearly 40%.

Of course the big fuel using industries will be taking a lot of it. But the smaller industrial and commercial companies can also enjoy the competitive advantages of gas.

Don't think you're too small to benefit. The opportunity gas offers to increase productivity and plant efficiency could make a tremendous difference to your business.

It will also give a big boost to our balance of payments, and increase the efficient use of our national energy resources. That's good news for Britain, and for British companies for years to come.

The time to act is now, not when the gas starts to come ashore. Start by sending off the coupon. The Technical Sales Staff of your British Gas Region will get in touch with you to determine your accessibility to a gas supply, help you plan your future needs, and tell you about our Technical Consultancy Service. Get your name down now. Autumn is just around the corner in the competitive world of today.

The British Gas Technical Consultancy Service helps you get the maximum value from every therm of gas used, by advising on the most efficient application by industry and commerce.



Join the New Gas Era now.

To: British Gas, 326 High Holborn, London WC1V 7PT. Please ask the Technical Sales Staff of my Gas Region to get in touch about the New Gas Era.

Name _____
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Position in company _____
Address _____
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BRITISH GAS

OVERSEAS NEWS

NATIONALISTS IN ERITREA

Waiting for the crunch

BY GWYNNE ROBERTS IN ERITREA

IN a thatched hut deep inside the arid Eritrean lowlands hangs a tattered poster of Cuban leader Fidel Castro preaching revolution to the masses. The placard is an essential part of the sparse furnishings to the Eritrean Liberation Front (ELF) officials who use the hut as an office, and to sleep off the torrid heat of the mid-day sun.

In Eritrea, Castro is ironically still a great hero to many young ELF guerrillas fighting for independence despite the sudden switch of Cuban support to the "enemy" in Addis Ababa. A number of ELF commanders trained in Cuba in the sixties and returned full of enthusiasm about their Cuban experience. In 1968, Castro called the Eritrean cause a "progressive revolution" much to the delight of the ELF leadership. The abrupt changes of allegiances in the Horn of Africa is a political reality many ELF fighters now find hard to come to terms with.

The Ethiopian army, apparently supported by foreign advisers, possibly Cubans, seem poised for a mighty thrust into the heart-land of Eritrea. A strong Government force has already swept through Gondar province, formerly the preserve of the right-wing Ethiopian Democratic Union (EDU). This movement's declared objective was to unseat the revolutionary military council in Addis but there now seems little hope of them achieving that.

considerations had brought the Cubans into Ethiopia but that did not mean they had changed their mind about the Eritrean revolution. There was a revolution going in Ethiopia and he suggested the Cubans had a right to take a position on that. He, like the young fighter, implied it was too early to say what role the Cubans were really playing in Ethiopia, though they may soon change their tune. The Ethiopians appear to have fought with unaccustomed vigour after being widely decried as a demoralised force—even though the EDU was never recognised in Eritrea as a guerrilla movement likely to present any serious opposition to a determined army. They were criticised here as a badly organised and equipped movement which lacked any motivating ideology. The ELF chairman wittingly described it recently as a "rathag collection" of people. But ineffective as the EDU may have been, it served as a buffer force for the ELF. Now, the Eritreans face perhaps the most serious threat to their aspirations towards nationhood

in their 16-year struggle. Morale among the ELF troops is high, especially after overrunning the town of Tessenai six weeks ago near the Sudanese border. How they meet this challenge in the coming weeks and months could well have enormous repercussions for the whole of the Horn of Africa. For the Ethiopians, the Eritreans represent much more than a military challenge. They possess heavy artillery and a guerrilla army which seems to have matured well over the past few years since my last visit here. The ELF is secretive about how well equipped its forces are but, although not over endowed, its supplies from such allies as Syria and Iraq have increased significantly during the past two years. In 1975, they could only harass the Ethiopian army. Now, they are in a position to lay siege to towns containing 1,000 to 2,000 troops. Reinforcements have been sent to Eritrea's border with Gondar province around Um Hagar. One unconfirmed ELF report said about 700 men were moved



EEC to withhold aid from Ugandan government

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

FOREIGN MINISTERS of the Nine joined Commonwealth leaders today in deploring violations of basic human rights in Uganda, and agreed to take unspecified steps to withhold any EEC aid which could perpetuate them under the regime of President Idi Amin. The move was proposed by Dr. David Owen, the Foreign Secretary, who said to-night that he had information that Gen. Amin was alive and unharmed, despite recent reports that he had been assassinated. The EEC statement "deplored the consistent denials of basic human rights to the people of Uganda." It added: "The Council agrees to take steps within the framework of its relationship with Uganda under the Lomé Convention to ensure that any assistance given by the Community to Uganda does not in any way have as its effect a reinforcement or prolongation of the denial of basic human rights to its people." Dr. Owen said that no firm decision had been taken on what categories of aid to Uganda would be affected. The issue was legally and technically complex. He said that no new procedures would be established for aid disbursements, but indicated closer scrutiny would be applied to aid proposals for Uganda. M. Claude Cheysson, EEC Commissioner for Development, is expected to follow the aid procedures personally. The Foreign Secretary emphasised that the EEC had no quarrel with the people of Uganda, who would continue to need food, medical and humanitarian aid and technical training. "If you deprive the people of

these things, you deprive the future of Uganda," (sic) he said. Britain is already looking at ways of stopping bilateral trade with Uganda. Virtually all EEC aid to Uganda is provided through the Lomé Convention. Uganda Radio said to-day that President Amin met on Saturday a Ugandan delegation arriving back from abroad, the day on which Kenyan reports said, an attempt was made on his life. This first mention by the radio to-day of his activities failed to clear up any mystery about his whereabouts since Saturday. Uganda's Lomé Convention, which links the Community with more than 50 African, Caribbean and Pacific states. One of the Convention's central elements is the "Stabex" fund. This is for reimbursing Lomé Convention members for loss of export earnings when commodity prices fall. Last year Uganda received about \$10m from Stabex in compensation for loss of earnings from cotton exports the previous

LUXEMBOURG, June 21. It is uncertain whether the contractual nature of EEC's commitments to Stabex would enable it to exclude Uganda from its benefits. One possible field of a war to be fought, aid. Some officials suggested to-night that the aid might be such aid conditions on arrangements to ensure was distributed to the need Uganda. Margaret Reid writes: Agents are not supply arms and ammunition to Ugandan Army and police. Judith Hart, the Minister Overseas Development, said a written Parliamentary aid yesterday. UPI adds from Nairobi: A wave of terror and mass struck Uganda, following assassination attempt against President Amin, and hundred Ugandan refugees fled Kenya, the government in agency here said to-day. President Amin was wounded in an ambush on car on Saturday, and was recently receiving treatment somewhere in Uganda, or possibly in Libya, the agency said.

Ethiopian opposition to meet in Sudan

BY ALAN DAREY

LEADERS of a number of groups opposed to the rule of the Ethiopian military council will begin talks here tomorrow to discuss co-ordinating strategy. Representatives of four or five movements are expected to attend. They are the Oromo

Liberation Front (OLF), which represents the largest Ethiopian ethnic group and claims support in eight of 14 provinces; the Afar Liberation Front (ALF) which virtually controls the port of Assab; the Western Somali Liberation Front (WSLF), the Somali-backed group in the Ogaden

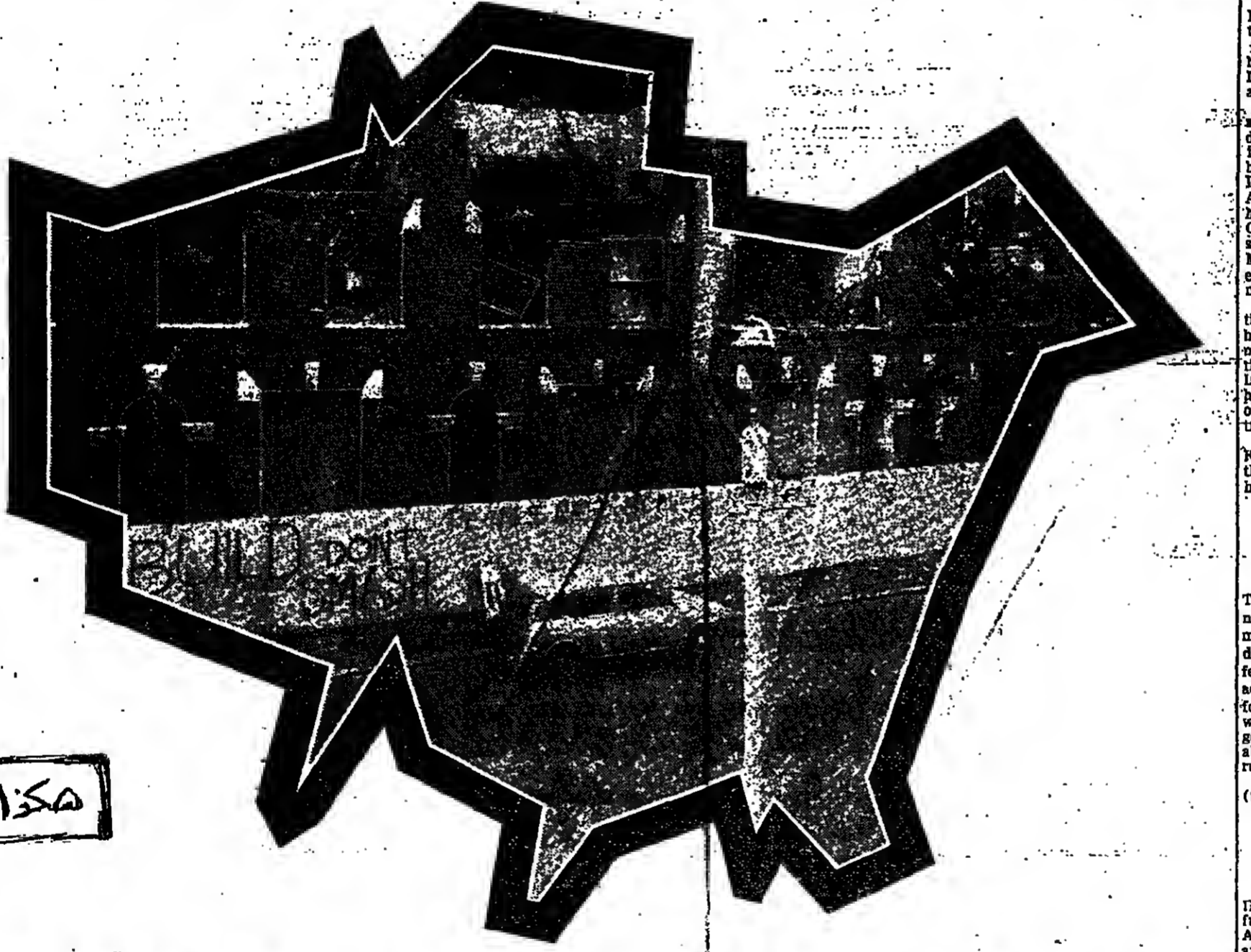
region; and the Ethiopian Democratic Union (EDU) which lost to Ethiopian troops ten days ago the border town of Homera taken by EDU forces earlier this year. A fifth group which may be represented is the Ethiopian People's Revolutionary Party (EPRP).

Assad and Arafat to be tougher against Israel

BY IHSAN HIJAZI

PRESIDENT Hafez Assad of Syria and Mr. Yasser Arafat, chairman of the Palestine Liberation Organisation (PLO), have decided to take a harder line against Israel in relation to the U.S. peace initiative for the Middle East. This was announced to-day by Mr. Farouk Kaddoum, chief of the PLO's political department, following a five-hour meeting between the two leaders in Damascus, yesterday, which he also attended. Damascus Radio to-day spoke about Arab and Palestinian determination to confront what it called the policy of the Likud bloc, which is now in power in Israel, of holding on to occupied Arab territory. The consensus here is that the emergence of a Government led by Likud constitutes a turning point in the Middle East, and has seriously eroded the chances of a settlement. There have been indications that Syria, Jordan and Egypt have raised the level of their military preparedness, along their respective front-lines with Israel. One report in the Press here has it that all three have ordered a semi-mobilisation of troops. However, a report in the Kuwaiti Al-Siyassah newspaper that Syrian and Jordanian troops have been placed in a state of

red alert, have been discredited here, according to well-informed sources. Syria and Jordan are said to be anxious to avoid moves which might give the Likud Government an excuse to carry out a pre-emptive strike against the Arabs. Syria and Saudi Arabia began joint efforts to reduce the tension in southern Lebanon yesterday, which he advised the Palestinians to a reconciliation with Lebanon Christian right-wing elements against whom they are fighting in the border area. According to Western diplomatic sources, a high-ranking U.S. State Department official who visited a number of Arab capitals last week, was astounded in Damascus that Syria, despite its pessimism, will continue to co-operate with U.S. efforts to reconvene the Geneva Conference on the Middle East, or that Syrian leaders were looking forward to the forthcoming visit to the region by Mr. Cyrus Vance, the Secretary of State. Egypt is believed to be taking a similar position. Rejection of Egypt of current Libyan move for an early Arab summit conference was seen by observers as being aimed at giving President Carter the time he needs to appraise the intentions of the Government in Israel.



What future for London?

Thames Television's Jubilee project London Looks Forward, designed to study and awaken interest in the future of London, is culminating in three events. Tonight, in the Thames ITV area only, most of the evening's viewing will be devoted to a two-part special programme. The Living City & The Future City begins with a ninety-minute documentary at 8.30, and continues after News at Ten with a live debate until midnight. On July 4 HRH Prince Philip Duke of Edinburgh will open the London Looks Forward Conference at the Queen Elizabeth Hall. For two days the representatives of national and local government, public authorities, business and industry, trade

unions and many other interested bodies will meet to discuss future policy and action over jobs, housing, transport, and the social and cultural life of London. And on July 6 at 7.00 pm HRH the Duke of Edinburgh will take part in a final programme reporting to viewers on the conference and its outcome. London Looks Forward is a unique project, which aims not only to stimulate debate on the vital issues of London's future, but also to communicate these issues as widely as possible to the people of the capital city. We hope it will prove to be a fitting and constructive contribution to the Queen's Silver Jubilee Year.



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Likud Histadrut 'defeat'

BY DAVID LENNON

THE LIKUD bloc, which dominates the new coalition Government in Israel, was heavily defeated in the Histadrut labour federation elections to-day, according to television and radio forecasts. The Labour Party, which lost heavily in the May 17 general election, retained its absolute majority in the Histadrut. If the forecasts prove accurate (the general election forecast on

TEH AVIV, June 21. television was wrong by only per cent), Israel faces possible clashes between the right-wing Likud Government and the Labour-dominated Histadrut which represents nearly 80 per cent of the country's wage-earners. The television forecast which Labour would win 56 per cent of the vote, compared with the 58 per cent in the 58 Histadrut election. Likud should win 27 per cent, compared to its previous 22 per cent.

Record Iran fire claim

BY ROBERT GRAHAM

INSURANCE claims arising from the fire damage last August to customs warehouses at Julfa on the border between Iran and the USSR are now believed to total \$40m, the largest fire claim ever in the Middle East, according to informed sources in the insurance business here. The damage was caused by two separate fires which took over three days to bring under control. Warehouses badly damaged or destroyed contained among other things large quantities of parts and units for Iran's automotive industry, and

valuable plant, machinery and chemical. The national insurance company, Bimeh Markazi, has 5 per cent, has been the company most directly involved. The semi-private insurance group Bimeh Iran has responsibility for providing cover for all goods not cleared by customs after 4 days: many of the goods had been held beyond this time at Julfa. According to insurance sources here the London reinsurers markets, Germany, Switzerland and to a lesser extent New York have been involved on the insurance end.

S. Africa mine labour call

By Quentin Peel

JOHANNESBURG, June 21. RESTRICTIVE labour practices, preventing the full use of both black and white workers in the South Africa mining industry, must be ended to enable the industry to remain fully competitive on world markets, Mr. Robin Plumbridge, president of the South African Chamber of Mines, declared in his presidential address to-day. South Africa would depend on export-led growth, generated primarily by mineral exports, to participate in any world economic recovery, he said. Inflation must be curbed within the country, if the mineral industry was not to become "increasingly less viable" in the world markets. Improvement of labour productivity was of critical importance in combating inflation, Mr. Plumbridge said, and this required "a significant breakthrough which will depend upon employing fully the human resources of this country." There is no more vital task than to lift restrictions and curbs on the economic system to enable people of all races to participate equally in the open market place. Mining news, Page 28.

S. Korea raises defence outlay

By Douglas Ramsey

TOKYO, June 21. SOUTH KOREA is to increase defence-related spending to 3 per cent of the 1977 budget, the first step in a previous announced policy of strengthening the country's defence between now and 1982. By the President Carter has said, a U.S. ground troops in South Korea will have been withdrawn. The defence spending increase was announced in Seoul to-day as part of a supplementary budget package presented to the National Assembly by Prime Minister Choi Kyu-han on behalf of President Park Chung-hee. The original budget for calendar year 1976 called for \$2bn. in defence-related spending out of a total \$5.5bn. budget, or 36 per cent of the total. The supplementary budget will add about \$440m. to overall spending, with more than 20 per cent of the total earmarked for defence. Most of the additional \$364m. on defence will be provided as incentives for private companies to invest.

ON OTHER PAGES

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WORLD TRADE NEWS

Community agrees textile stance

BY DAVID BUCHAN

BRUSSELS, June 21

THE EEC COUNCIL today unanimously agreed on a common view on textile products. Disputes over the about how the Nine want to see the reaction by some member states. This is the Brussels view of the latest French measures in the GATT talks in Geneva. After several months of intra-EEC haggling, which has held up the Geneva negotiations since the spring, member states have now agreed a compromise of a minimum of changes in the MFA, while providing for a maximum of restrictions on textiles imports in bilateral negotiations.

scope for newcomers among the exporters by keeping imports rising slower than total EEC consumption for the supplying countries that already have a large slice of the EEC market or in products where import penetration is already high. (2) The principle of cumulative effect should be recognised in the new MFA so that the EEC can limit imports even from small suppliers when the cumulative effect of these imports is dangerously large. (3) To prevent textile exporting countries from building up high base levels in bilateral negotiations, the EEC wants to recognise that the base period for a bilateral agreement will date from the opening of negotiations and not from their conclusion. (4) Restrictions and better definitions of handloom products. The present MFA contains no rules on these products, a gap that has caused considerable dispute between the Community and India. (5) Given these safeguards, the EEC will not try to change the present MFA's basic formula of a 6 per cent annual increase in their exports.

Japan adopts hard line on EEC issues

BY DOUGLAS RAMSEY

TOKYO, June 21

EUROPEAN COMPLAINTS that Japan is bombarding some EEC industries with its exports while keeping Japan's own imports of finished goods at an artificially low level "ignore" the basic facts of Japan's trading situation, according to a confidential assessment circulating inside the Ministry of Finance (MOF). The report was drafted at the request of Mr. Hiroshi Dan, the outgoing chief of customs and tariffs who will now head up the powerful International Finance Bureau. In that role, Mr. Dan will be perhaps the single most important influence on Japan's exchange rate policy in the next two years. Mr. Dan raised some European eyebrows earlier this year with a stinging public attack on Europe's poor marketing efforts in Japan—an attack which has been labelled him as one of the "bawks" in Government who think Japan should take a hard line with the EEC on trade.

an effort to undermine European competitors in that sector. Japan is not an open market for European exporters because finished goods only represent about one-fifth of Japan's total imports. Pul briefly, the Ministry of Finance document (which was completed in late May) says that in the first two cases the EEC's arguments are downright misleading, and in the latter case Japan cannot hope to boost the finished goods portion of imports (now 19.9 per cent.) to European levels within 18 years unless Japan's total imports grow by much more than 10 per cent. a year.

imbalance in both value and per capita terms. Mr. Dan and his associates disagree. They have calculated two other ratios on the basis of (a) the EEC having a GNP like Japan's, and (b) the EEC having a market the size of Japan's. Thus "adjusted" to reckon with the much larger size of European GNP and population on both counts the Ministry of Finance comes up with a much smaller discrepancy. In case (a) Japan's per capita exports to the EEC come to \$19, instead of \$52, and in case (b) to \$22. Hence, the first rebuttal: the gap is nowhere near what the Europeans claim, if you take into account the very much bigger European market of people and purchasing power.

show that if GNP, free access and market size are taken into account, Japan really should be selling far more of both cars and steel to the EEC. On cars, the "natural" EEC share would be 48 per cent of total Japanese car exports. In the case of steel, a much higher 74 per cent. So, the MOF argues, Japan is largely restraining its exports in order not to cause injury by flooding these European markets, and hence, the second rebuttal: the high level of car and steel exports to the EEC falls far short of what Japan could really be selling in the EEC.

factures. The oil crisis reversed the trend, however, as the finished goods portion of imports dropped from 30.1 per cent. in 1973 to 19.9 per cent. two years later. (In the same period, the MOF calculates that the share of finished goods in the EEC's total imports also declined, but from 59.9 per cent. in 1973 to 55.3 per cent. in 1975.) Even admitting increased efforts to import manufactures, though, the MOF document suggests that "parity" with the Europeans is far off. Taking two alternative levels of import growth, the MOF reckons that if finished goods expanded at the rate they did between 1959 and 1973, it would take from 13 years (at 13 per cent. per annum growth in finished goods) to 18 years (at 10 per cent. a year) to rise to the present share of finished goods in the EEC total—excluding intra-EEC trade. This leads to the third rebuttal: Europeans should stop insisting on a radical change in Japan's import structure which just cannot happen.

Written as a rebuttal to European protests about Japan's trade policies and, apparently, prompted by Mr. Edmund Dell's attack on Japanese import and export practices during his visit to Tokyo in April, Mr. Dan's document is, it seems, not meant for delivery to the EEC side in writing. Instead, reliable sources say, the paper was prepared for the use of Japanese officials and reflects the basic stance Tokyo negotiators will adopt in future trade talks with the EEC. The eight-page, handwritten report sets out to refute three European arguments, that: 1. Japan's exports to the EEC are about five times greater in per capita terms than the EEC's to Japan. 2. Japan concentrates its exports in a few industrial sectors in

to assist some industries hit by recession, such as textiles, aluminium refining and small-scale steel making. Renter reports from Tokyo. MR. TAKEO FUKUDA, the Japanese Prime Minister, has asked the Finance and Trade Ministers and the Central Bank to form a liaison council to assist some industries hit by recession, such as textiles, aluminium refining and small-scale steel making. Renter reports from Tokyo. The MOF tackles the second European charge in much the same vein. Car and steel exports to Europe, it says, were 11.2 per cent. and 5.6 per cent. respectively of Japan's total car and steel exports to the world in 1975. (As a share of total Japanese exports to the EEC, cars were 13.3 per cent. and steel nearly 7 per cent.) Do such figures represent what the Japanese mean by "concentrated" exports of cars and steel to the European market? The MOF calls it flooding, but at MOF, again the answer is no.

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The document insists, moreover, that between 1959 and 1973 Japan's total imports went up 11 times, while its finished goods imports went up 15 times, demonstrating Japan's increased willingness to buy foreign manu-

factures. The oil crisis reversed the trend, however, as the finished goods portion of imports dropped from 30.1 per cent. in 1973 to 19.9 per cent. two years later. (In the same period, the MOF calculates that the share of finished goods in the EEC's total imports also declined, but from 59.9 per cent. in 1973 to 55.3 per cent. in 1975.) Even admitting increased efforts to import manufactures, though, the MOF document suggests that "parity" with the Europeans is far off. Taking two alternative levels of import growth, the MOF reckons that if finished goods expanded at the rate they did between 1959 and 1973, it would take from 13 years (at 13 per cent. per annum growth in finished goods) to 18 years (at 10 per cent. a year) to rise to the present share of finished goods in the EEC total—excluding intra-EEC trade. This leads to the third rebuttal: Europeans should stop insisting on a radical change in Japan's import structure which just cannot happen.

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U.K. group wins order in Jordan

BY RAMI G. KHOURI

AMMAN, June 21

HOWARD HUMPHREYS, a U.K. consultant civil engineer, has won agreement for a consultancy to increase the water supply to the southern port city of Aqaba. The project is worth more than \$50m.

Howard Humphreys and a local engineering firm will undertake economic studies, design specifications and tender documents for a 75-kilometre pipeline to bring water from QA's Al-Diss, as well as supervision and construction.

The second stage will include studies and design and supervision of work on water and sewage.

The first part of the project is expected to be finished by August 1979 and the second by May, 1980. The project will provide Aqaba with 175m. cubic metres of water a year.

Howard Humphreys has been active in the Middle East for many years. The company carried out the sewage project in Tripoli, and smaller projects in Libya and Saudi Arabia. There is a prospect that Howard Humphreys may undertake water strategy for north Jordan, but no agreement has been reached.

Great Lakes Dredge and Dock has received contracts totalling \$30m. for two projects in the Middle East—construction of the port of Jebel Ali, Dubai, and a contract for \$15m. to dig an access channel, being built at Juaymah, Saudi Arabia. AP-DJ reports from Chicago.

U.K. discusses export strategy

BY LORNE BURLING

WAYS OF improving Britain's export performance and trade position in the world are to be discussed at an industrial strategy conference, chaired by Mr. Callaghan, the Prime Minister, being held today.

The conference is expected to reveal progress on the government's industrial policy which is largely based on export-led growth, and will be attended by more than 100 employers, trade union officials and members of the industrial working parties and committees set up under the policy.

Hopes about the success of the policy remain pinned to a degree of Government support and involvement with 40 sectoral working parties which have been examining the objectives, strengths and weaknesses of various industries.

To-day's conference, the first of two being held at Lancaster House this year, will give those involved the opportunity of putting forward their views directly to Mr. Callaghan, Mr. Denis Healey, the Chancellor, and Mr. Albert Booth, the Secretary of State for Employment.

Considerable emphasis is expected to be laid on the problems facing medium and smaller sized companies when entering export markets, particularly in relation to the cost of establishing a presence overseas. It is understood that the Government will be examining means of easing this burden.

The top item on the agenda will cover Export Credit Guarantees, Department of bank finance, effective overseas marketing, research and development, product development, the role of public purchasing and the specific problems of smaller companies.

Saudi deal for Germany

BY KENNETH GOODING

A consortium of three German companies led by Siemens AG have received an order valued at DM500m. from Saudi Arabia to supply 11 transformer stations and to expand its existing 13 transformer stations. Siemens said, AP-DJ reports from Munich.

\$25m. backing Saudi Arabian Road and Maritime Transport will use \$25m. from the Saudi Industrial Development Fund and World Bank to invest in vessels and equipment on its integrated sea and road transport services from Europe into Saudi Arabia.

Pakistani shirt quota Following a sharp increase in 1976, U.K. imports of men's and boys' knitted shirts from Pakistan will be restricted to 1,282,500 pieces in the period April 1 to December 31, 1977. U.K. imports of these products from Pakistan totalled 1,71m. pieces in 1976 and 1.5m. pieces in the first three months of 1977. The quota has been imposed under Article 3 of the MFA after consultations between the EEC Commission and the Pakistan authorities in April and May failed to produce agreement.

Vegetable farm FMC Corporation has negotiated a \$3m. contract with Arabian American Oil Company to design and supervise the operation of a 350-acre vegetable farm near Hofuf Oasis in Saudi Arabia.

Pulp plant Ishikawajima-Harima Heavy Industries said its dock in Kure, western Japan, designed to build tankers, is being used to construct a floating pulp plant for Brazil because of a lack of shipping orders. Reuter reports.

Distillers to defend distribution

BY KENNETH GOODING

A TEAM from the Distillers Company (DCL), which accounts for about half the Scotch whisky sold globally, is to meet representatives of the EEC Commission today to defend its distribution policies in the EEC countries.

If the commission sticks to its present views, there might be a major upheaval in the traditional export procedures used by the Scotch whisky industry which, last year, had export earnings of \$440m.

The DCL uses a system of appointed sole distributors, and maintains that EEC regulations recognise its right to operate thus.

But the DCL has been under attack from exporters who have tried to buy its brands in the U.K. but have had their orders turned down.

A spokesman for the DCL said about today's meeting, "we have a letter from the EEC commission which set out their view of some aspects of our trading arrangements within the EEC. We have sent a written answer. The issues are complex and technical, and have been under discussion for several years. They will be discussed by a DCL team and the commission."

The group has insisted that, over the past ten years, the biggest growth of its whisky brands, especially in Europe, has taken place outside the big cities. The appointed distributors had achieved this because they were prepared to spend their money on promotion, DCL has maintained.

The company claims that the allowances it makes to distributors do not offset completely the cash which the distributors put behind the brands. That is why parallel exporters are still able to make a profit, while cutting prices, the company has said.



بنك أبوظبي الوطني NATIONAL BANK OF ABU DHABI Balance Sheet as at 31st December 1976

Table with 2 columns: 1975 U.A.E.DH. and 1976 U.A.E. DH. Rows include SHARE CAPITAL, RESERVES, SHAREHOLDERS INTEREST, and LIABILITIES.

Table with 2 columns: 1975 U.A.E.DH. and 1976 U.A.E. DH. Rows include ASSETS, Cash, balances with banks, Deposits with banks, Investments, Advances, and Debtors and prepayments.

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NORTHERN ROCK BUILDING SOCIETY CHANGE OF INTEREST RATES INVESTMENTS MORTGAGES Save safe with Northern Rock

HOME NEWS

Compensation for shipyards faces snags

BY ROY ROGERS, SHIPPING CORRESPONDENT

COMPENSATION TERMS for machinery was not needed, Robb Caledon and John G. Kin-silbough compensation talks said, two of the shipbuilding concerns being nationalised by the Vesting Act, should be agreed by Vesting Day, July 1.

Final offers are expected from the Department of Industry very soon, and since both are quoted companies there seems little to prevent a swift settlement on the Government's formula based on Stock Exchange quotations in the six months to February 27, 1974.

But negotiations with those among the other 36 companies involved that are not already State-owned are likely to prove lengthy and far from easy, as they are either unquoted or are part of larger groups with interests outside shipbuilding.

The London accountants Whinney Murray have been assisting the value for the non-quoted companies, taking into account dividend levels and inter-company loans since the February 1974 base date.

Most of the groups concerned have engaged accountants to handle their compensation negotiations. Some of these may stretch on for many months, probably ending in arbitration.

The arbitration machinery—similar to that used during the nationalisation of the steel industry—is expected to be set up next month. As it turned out, the steel arbitration rest of the subsidiary.

Last bid to sway Parsons workers

BY MAX WILKINSON

MR. ERIC VARLEY, the Industry Minister, is expected to make a last attempt today to win unions round to his plans for a merger of the turbine generator industry.

On Monday the Confederation of Shipbuilding and Engineering Unions' executive committee agreed to back the demands of the workforce at C. A. Parsons in Newcastle that the National Enterprise Board should have the major role in any new grouping.

But Mr. Varley, his civil servants and the National Enterprise Board agree that the new company should be controlled and managed by the General Electric Company.

GEC has refused to co-operate in a merger which it would not control. Its view is that Parsons is the weaker company and that the NEB has no experience in running a power engineering company.

Earlier this month Mr. Varley believed that the confederation was coming round to his view. At a meeting in the Department of Industry on June 9 he spelled out the bleak future for the industry in the absence of a merger.

He made it clear that ordering a new power station before it was needed would not solve the long-term problems facing the industry and particularly C. A. Parsons.

He hinted strongly that any order for a new station at Drax, near Selby, could go out to open tender if a merger between GEC and Parsons was frustrated.

Mr. Varley is due to speak at the confederation's meeting in Scarborough today. It is likely that he will try to put further pressure on the unions to accept what he regards as the only sensible solution, in private he will try to play his last card, which is the threat that GEC could get the order instead of Parsons.

Payout likely for car policy holders

BY KEITH LEWIS

HOLDERS OF around 750,000 motor insurance policies in ten failed insurance companies, including Fire, Auto and Marine, the group headed by the late Emil Savundra, are likely to receive some form of payout from liquidators, Cork Gully.

Unexpired premiums paid to the ten companies, which failed in the mid-1970s and early seventies leaving holders uninsured, amount to between £1m. and £4m., of which Fire Auto and Marine, the largest, account for approximately £1.5m.

An advertising campaign in the national trade Press will invite creditors to apply for compensation and the amount of such claims will dictate the size of the payout to policyholders.

The ten insurance companies involved are: Competitive Insurance, which crashed in 1971; Union Accident, 1972; Craven Insurance and Industrial Life and General, both of which crashed in 1968; Swiss Gibraltar Insurance, Irish American Insurance, London and Cheshire Insurance, London and Home Counties Insurance and Metropolitan and Northern Counties Insur-

ance, which all went under in 1967; Fire Auto and Marine, which had 235,000 out of the total, collapsed in 1966.

Creditors can expect to receive between 10p and 30p in the £, depending on the company. The top two in the range are likely to be Fire Auto and Gibraltar, while those closer to the 10p end of the scale are likely to be London and Home Counties and Metropolitan and Northern Counties.

The liquidators are clearly hoping that this will be a once and for all pay-out, though it is possible that in some cases there will be a further sum payable depending on the overall response of creditors.

The advertising campaign will be directed at two categories of beneficiary: policyholders who were left uninsured by the failures and also third party claims from such parties as garages which did not receive payment after repairs had been made to crashed vehicles.

Following an advertising campaign, for which High Court permission had to be obtained, it is estimated by Cork Gully that there will be savings of £350,000.

Travel profits down

BY ARTHUR SANDLES

BRITAIN'S major tour operators remained broadly profitable last year, but their performance was not as good as in 1975, according to Civil Aviation Authority figures.

The profitable companies among the top 30 produced total profits of £12.5m., and the loss making members of the same group had total losses of £1.1m. Net profits were down by £1.2m. on the 1975 figure.

There was a 20 per cent rise in turnover among the top 30 to £252.1m.

Year	Turnover	Net Results
1972	206.9	-2.9
1973	245.5	-0.4
1974	226.7	-3.0
1975	278.3	12.9
1976	326.1	11.7

Source: CAA

Tameside ready with secondary schools report

By Michael Dixon, Education Correspondent

THE TAMESIDE local authority is to accede to a new demand by Mrs. Shirley Williams, Secretary of State for Education, to report its progress towards fully comprehensive secondary schooling.

Tameside, in the Greater Manchester area, was the only one of the eight main anti-comprehensive authorities which failed to meet the Minister's previous deadline of May 24 for the submission of proposals for reorganising their schools.

The others are Bexley, Buckinghamshire, Essex, Kingston-upon-Thames, Redbridge, Sutton, and Trafford.

Councillor Donald Thorpe, chairman of Tameside education committee, said yesterday that Mrs. Williams' letter giving the new date had been "very reasonable" and the authority would reply as requested.

But it might not be able to comply when its comprehensive plans would be completed, because a lot of work had still to be done on them.

Flow of new building work slows down

THE FLOW of new orders for change from February to April the construction industry continues to fall. Department of the Environment statistics released yesterday showed that total new orders for the three months to April were 10 per cent down on the previous three months and 23 per cent lower than in the same period a year before.

New orders to the public housing sector in February to April were down 10 per cent, on the previous quarter and 43 per cent on February to April 1976. Private housing orders showed no

Watery washing-up liquids

BUYERS OF washing-up liquids, market in which the shopper has attracted by the packaging to choose between heavily coloured and its smell, advertised "super-concentrated" brands and others containing water with some brands, according to Nottinghamshire county council's consumer protection department. The department has been examining the £4m. a year 80 per cent water.

Amount of plutonium 'hardly alters risk of theft'

THE POSSIBILITY that terrorists could steal plutonium and make a crude nuclear bomb was admitted by Mr. Cliff Allday, managing director of British Nuclear Fuels, at the Windscale inquiry yesterday.

But Mr. Allday told the inquiry that in his opinion there was no direct relationship between the likelihood of this happening and the amount of plutonium to store.

"I agree if there is more around the risks must be greater, but not very much greater," he said.

Plutonium is very well guarded. It only takes a small amount to make an explosive, and it does not seem to me to matter how much is in store if someone only wants to steal a few kilograms.



Mr. David Widdicombe, for Windscale Appeal, asked Mr. Allday whether it was safe to handle plutonium with bare hands. If rubber gloves were needed Mr. Allday replied that he would handle plutonium with bare hands. The use of rubber gloves depended on the radioactivity of the material.

Weapons

The issues of nuclear proliferation and terrorism arose after Lord Silcock, QC, for British Nuclear Fuels, answered questions posed earlier by Mr. Justice Parker, who is conducting the inquiry.

Mr. Raymond Kidwell, QC, cross-examining on behalf of Friends of the Earth, who are opposing the proposed expansion of Windscale, asked: "Do you accept that if plutonium becomes increasingly available, foreign nations can obtain a weapons potential?"

Mr. Allday answered: "In my opinion, not very much."

Mr. Kidwell: "So that if many people express anxiety on that score you regard that to be misplaced?"

Mr. Allday said he did not regard it as misplaced, and in reply to further questioning said this was also the opinion of his chairman, Sir John Hill, who felt that if given the proper international agreements, it would not be such a problem."

The hearing was adjourned until today.

ASH fumes at smoky airline cabins

BY CHRISTOPHER DUNN

FOR A FLIGHT free of smokers, Finnair This is the conclusion of an Action on Smoking and Health survey on the provision by airlines of non-smoking areas in aircraft.

Finnair, the first airline to cater for non-smokers in 1969 still bans smoking on all domestic flights lasting less than 40 minutes. However, its only British route is to and from Helsinki.

Other airlines are catching up. ASH, which launched a new campaign on non-smokers' rights six days ago, questioned 62 airlines and 56 replied. Of these, 41 now provide smoke-free seats, compared with 32 in 1975, the date of the last survey.

The average proportion of seats set aside for non-smokers is now 40 per cent. (1975: 25 per cent.), and in the last two years, 32 airlines have improved non-smoking accommodation.

Passengers should be able to book non-smoking seats, and on short domestic flights smoking should be forbidden. It would be the provision of non-smoking accommodation to be among the criteria for licensing aircraft to land in Britain.

In the league table compiled by ASH on facilities for non-smokers, British Airways tied for third place with TransWorld Air Lines, behind Finnair and Czechoslovak Airlines.

New start for property developer £27m. in debt

FORMER property developer Mr. William Jack Godfrey, 50, whose debts from a 1975 bankruptcy may eventually exceed £27m., yesterday successfully applied for his discharge. He offered to pay creditors £1,000 within two years was accepted. He carried on business in Bourne-mouth.

Mr. Godfrey, now a consultant surveyor earning £217 a month, gave guarantees on behalf of companies that crashed after the collapse of the property market.

His wife also went bankrupt and has been discharged. He said that a divorce was pending.

Mr. Derek Thorne, Official Receiver, said in the London bankruptcy court that there were three preferential creditors for £5,812. Unsecured creditors for more than £2m. had made claims and further claims might exceed £24m.

Assets had so far realised £56,816, and any dividend to unsecured creditors would be small.

North Sea oil training centre

THE SITE of the U.K.'s first school of drilling technology, about 10 by vacated by the Petroleum Industry Training Board when it transfers its activities to Montrose, is to continue as a training centre for North Sea oil operations. Livingston Development Corporation announced yesterday.

The site, at Hardle Road, Dennis, bordering the M8, will be used by Exploration and Production Services (North Sea).

Scottish bid for industry

A DRIVE to attract industry to Central Scotland will be launched in London on Monday by Mr. Greor MacKenzie, Minister of State at the Scottish Office.

An exhibition—in the premises of the Scotch Whisky Association in Mayfair—will be open for the following two days.

The exhibition will deal with industrial sites in the region, generally, but special emphasis will be put on the West Main site between Falkirk and Grange-mouth.

STEEL INDUSTRY PROFITS

Coping with the effect of too few orders

BY ROY HODSON

THE SELECTIVE price increases for a minority of iron and steel products in the last fortnight are seen as an attempt by the steelmakers to wrest some profit from the trade when and where they can, rather than a sign that all British-made steel is going to be dearer.

The latest move has been British Steel's decision to revise its prices of some steel billets and bar of pig iron, steel sections, and rails from July 10. Customers will pay about 7 per cent more.

Earlier in the month the private sector took a lead, with several member-companies of the British Independent Steel Producers' Association applying rises averaging about 6 per cent on some slabs and coils. Most of these items went up by 10 per cent last October.

Overall, the international steel market shows hardly any discernible signs of recovery. Too much steelmaking capacity is chasing too few orders throughout the Western world.

The U.K. price movements demonstrate the determination of British private and public steelmakers to be flexible about price, more so than they have ever been in the past—but to ease a very penny piece that can be made.

The recent increases are largely linked with the iron and steel needs of the motor industry for about 60 per cent of its components. They are not designed to be pitched at what the

brisker motor business can bear, and to secure a profit margin for the steelmakers in what is at present a largely profitless industry.

Sir Charles Villiers, chairman of the State-owned British Steel Corporation, which lost £100m. in 1976-77, does not believe the Corporation can move to profit through better trading and higher prices for at least the next six months. Most private sector companies are joggling along while continually postponing further their guesses about when the market will turn up decisively.

There was some optimism earlier in the year about an autumn revival in steel demand. But now it is thought a more realistic estimate that steel makers must wait until early 1978 for better times.

They are still in a better position than their European counterparts. The British market has remained in a more orderly state than the European markets, throughout the recession, and prices obtained for steel are higher than in Europe.

The most difficult steel to sell remains plate, structural steel for building, and cold reduced sheet for the motor industry. Surpluses throughout Europe make it difficult for home producers to apply increases in price. The steel industry is ever much they wish to order

to show profit on production programmes.

But there are some positive signs. There is a slow improvement in the French market for some types of building steel; the European Commission estimates that to the Community as a whole consumption may rise by 2 per cent, to 3 per cent, during the year compared with the slump conditions of last year.

Much will depend on the effectiveness of the Community's Davignon Plan for observing minimum prices if the crisis of the market during the crisis, Fernand Braun, director general of the industrial affairs of the European Commission has told the European Coal and Steel Community Consultative Committee that steelmakers must stick to the twin disciplines of limiting production and holding minimum prices if the crisis measures are to succeed.

An early indication of return of confidence to the British steel market will be an upturn in demand for scrap. So far there are no signs of such a movement. Scrap prices remain about £28 a tonne, where they have slumped for months after last year's short rise to nearly £50.

The steel stockholders are traditionally well-tuned to detect market trends. Most British stockholders are either trading quietly at reduced stock levels or continuing to run down stocks in their warehouses. There is no evidence yet of re-sinching in anticipation of a boom.

U.K. advantage

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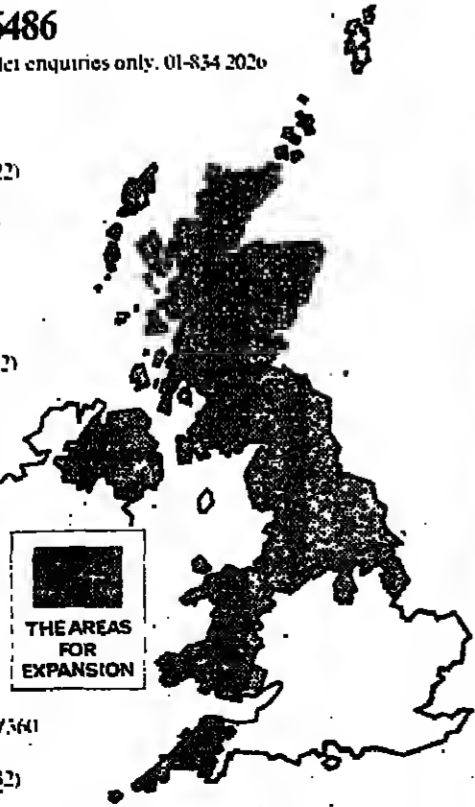
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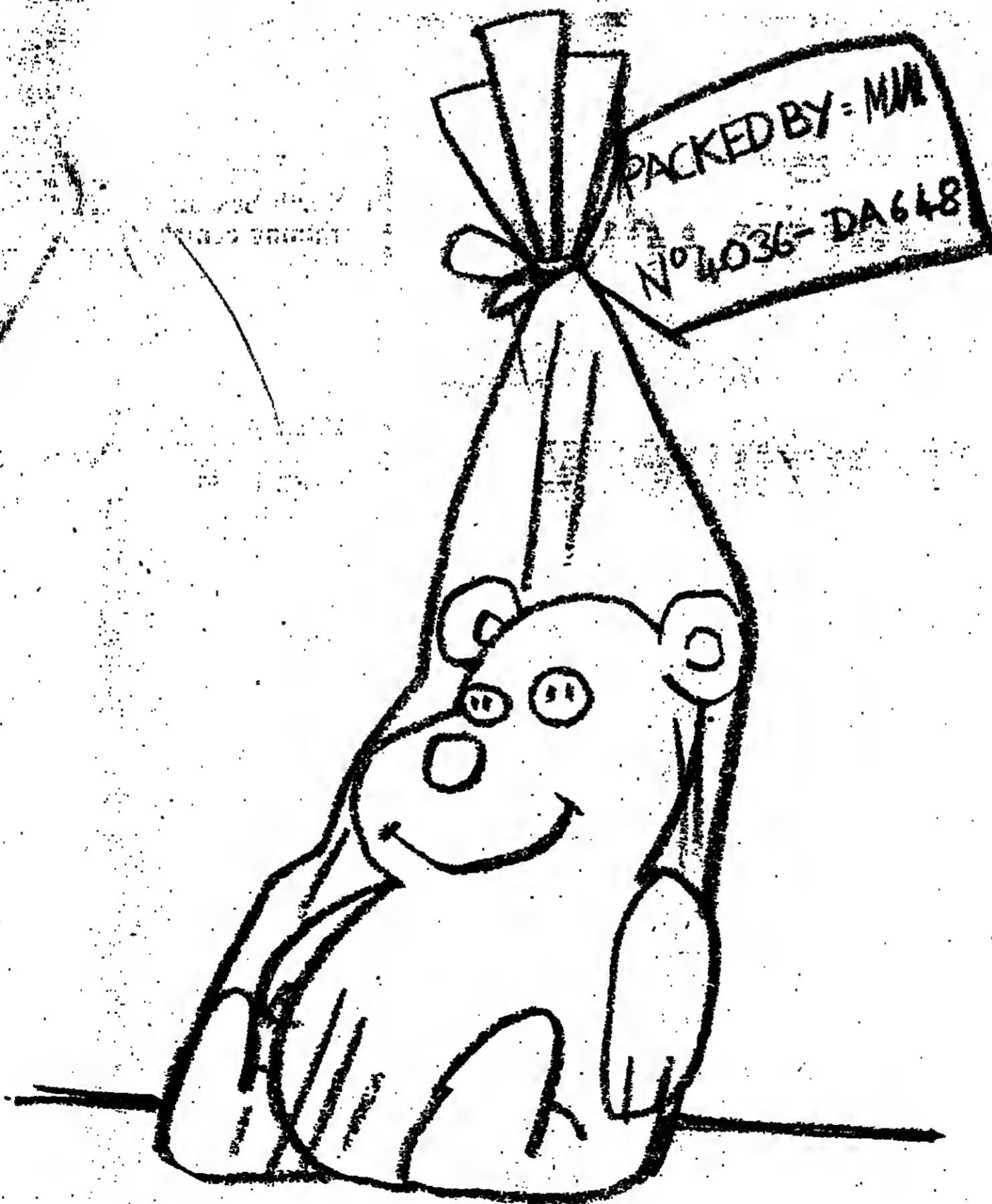


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NatWest

EXTERNAL BORROWING SURVEY

Oil price rises push up many countries' debts

BY OUR FOREIGN STAFF

DURING the last week inter-

national banks have had through-

There has been international

The problem has become much

Eastern Europe has also

Crude context

Given time, the new data

The figures being circulated

The three columns do not add

Hard currency

Column eight shows the

column nine attempts to put

In the case of the Eastern Bloc

The figures in column nine

Again, some countries debt

Again, for a few countries,

Unused credit facilities with

The principal Latin American

Estimates of total debt in

Services

The biggest borrower of all-

Brazil has a massive burden

Argentina's fate is in the hands

of the commodities markets in

Chile and Peru are both hard

Peru is in much the same

Overall figures for the Soviet

Romania and Bulgaria, though

As expected, the figures show

However, concern has already

Poland, whose debts are pro-

As expected, the figures show

However, concern has already

Poland, whose debts are pro-

As expected, the figures show

COMMERCIAL BANKS

Table with columns: Developed countries, Net borrowings, Borrowing, Due 1979, Due 1977, % of total, % of exports, Unpaid credit, Total debt. Rows include Finland, Greece, Norway, Portugal, S. Africa, Spain, Yugoslavia, E. Europe, Bulgaria, Czech, Germany, Hungary, Poland, Romania, USSR, Latin America, Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Jamaica, Mexico, Peru, Venezuela, Middle East, Egypt, Iraq, Israel, Jordan, Oman, U.A.E., Other Africa, Algeria, Ivory C., Morocco, Nigeria, Sudan, Tunisia, Zaire, Zambia, Other Asia, Indonesia, S. Korea, Malaysia, Philippines, Taiwan, Thailand.

Leasing industry expects to break record

BRITAIN'S LEASING industry had a record year last year and expects its leasing commitments to rise further this year, according to the Equipment Leasing Association, which claims that its 30 member companies account for 80 per cent of Britain's leasing business in the U.K. Mr. Stuart Errington, chairman of the association, told the annual meeting in London yesterday assets purchased for lease by the member companies last year were valued at £1,670m, and that repayments due to their banks at original cost to £1,670m.

OVERSEAS PROPERTY

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LEGAL NOTICES

ALFA ROMEO PRODUCTS LIMITED IN LIQUIDATION. NOTICE is hereby given that the creditors of the above-named company, which is being wound up as an insolvent company, are required to present their claims to the liquidator, Mr. J. H. G. GIBBS, at the offices of Messrs. GIBBS & CO. (INCORPORATED IN ENGLAND), 15, ABchurch Lane, London EC4A 3DF, on or before the 21st day of July 1977.

APPOINTMENTS

Senior executive posts at Ransomes Sims & Jefferies. Mr. F. L. Johnson is to become technical director, joined Sedco Trust as a mining engineer in 1953, and was appointed a director of RANSOMES SIMS & JEFFERIES in 1970. Mr. J. C. W. Richmond is resigning as director of the company's machinery division, and Mr. E. R. Kitchener, general manager, electric truck division, is to be appointed as director of the company's machinery division.

SOTOGRADE COSTA DEL SOL (SPAIN) FOR SALE 2,046 sq. m. LAND FOR CONSTRUCTION. Fully developed, wonderful location, residential area, near golf course. Prices Swiss Frs. 45,000. Write to: CHEFFRE 61271, PUBLICITAS, CH-4001 ZURICH.

APPOINTMENTS. CITY OF WESTMINSTER. London Borough of Westminster. Notice is hereby given that the Mayor of Westminster, Sir John Gillingham, has appointed Mr. J. H. G. GIBBS, as Liquidator of the above-named company.

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COMPANY NOTICES. QUEBEC CENTRAL RAILWAY COMPANY. NOTICE is hereby given that the Board of Directors of the above-named company, which is being wound up as an insolvent company, are required to present their claims to the liquidator, Mr. J. H. G. GIBBS, at the offices of Messrs. GIBBS & CO. (INCORPORATED IN ENGLAND), 15, ABchurch Lane, London EC4A 3DF, on or before the 21st day of July 1977.

ART GALLERIES. BARRON'S GALLERY, 100, Kensington Church St., W.8. Exhibition: English & American Impressionist Paintings. 2.00-6.00.

State oil company finds well dry. BODL, a subsidiary of the E Natlional Oil Corporation plugged and abandoned as hole Well 16 on Block 21, the U.K. sector of the North Sea. This well is the same as the 'Thistle oilfield' while recoverable reserves estimated about 500m. barrels and could enter production late year. BODL said yesterday Well 16 had partially deflated western limits of the accumulation found by Well 12-12 and would be defined the boundaries of acreage to be relinquished to the U.K. Government under terms of the licence issued in 1972. Drilling on Block 21/11 has now been suspended pending completion of 3D seismic surveys now in progress. Comprehensive geological review and completion of an engineering feasibility study for further development of the block, being conducted by BODL.

Price order for golf hotels

YESTERDAY the commission issued an order for 120 or so hotels in the area of the championship to raise their tariffs above normal levels from July 1 to July 15. The tournament is being held from July 1 and the championship proper over the 6 days from July 6. The course is at Turnberry near Girvan on the Clyde coast, and the hotels affected are in the Kyle and Carron and Camphishie districts of the Strathclyde region and the Wigtown district of the Dumfries and Galloway region.

THE PRICE Commission

gone ahead with its plans, try to ensure that thousands of golf enthusiasts who will converge on Strathclyde in a fortnight for the British Open are overcharged.

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Mr. J. C. W. Richmond is resigning as director of the company's machinery division, and Mr. E. R. Kitchener, general manager, electric truck division, is to be appointed as director of the company's machinery division.

Mr. R. E. Haslehurst has been appointed assistant managing director of RUTYON'S & MMB, a subsidiary of Astley & Pearce.

Mr. Edward Butler, Mr. John Donovan, Mr. John Phillips, Mr. J. Yefstegam (Spanish) and Mr. I. Yefstegam have been appointed to the Board of AUGUSTUS BARNETT AND SONS following the take-over by Rumasa SA.

Mr. G. A. Hamilton has been appointed to the Board of BARRATT DEVELOPMENTS (NORTH WEST) as technical director. He was previously with John Maunders Construction.

Mr. R. E. Haslehurst has been appointed assistant managing director of RUTYON'S & MMB, a subsidiary of Astley & Pearce.

ATLANTIC CONTAINER LINE SERVICES has restructured its organisation at director level. Mr. Robert Koch becomes director of marketing and operations. Mr. Michael Turner, director of finance and administration, and Mr. Adrian Metzelaar, director of shipping conference and international policy, appointed assistant directors are Mr. Peter Blanken, operations, Mr. Michael Roebman, finance, Mr. Wiegner Koornstra, planning and research, and Mr. Dennis Roberts, marketing.

Mr. W. J. Berry, founder of GLAZIN AND BERRY, has retired as chairman and been appointed president. Mr. Arnold Adamson, who recently retired as a partner in Coopers and Lybrand, the company's auditors, has been appointed a director and chairman. Mr. R. K. Kish, who has been a director and deputy chairman, has retired.

Mr. J. H. Cumming has been appointed managing director of DEUTSCH AND BRENNER, a member of the Guinness Peat Group, from July 4. He will succeed Mr. Brian Essex, an executive director of Guinness Peat who has been president of Anglo Trinidad Oil Company for 11 past three years.

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State of companies finds well down

HOME NEWS

Oil policy could cost Britain £600m.

BY RAY DAFTER, ENERGY CORRESPONDENT

OIL companies could lose more than £600m in revenue in the next five years if the Government struck its latest refinery policies...

Energy conservation plan on the way

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT is preparing a new energy conservation programme to restrain fuel imports once North Sea oil and gas begin to run out...

Petrochemical feedstock unlikely to alter radically before 1990

BY KEVIN DONE, CHEMICALS CORRESPONDENT

ANY RADICAL change of feedstock for the petrochemical industry is unlikely before the 1990s...

Mr. Michael Bennett and Dr. Aubrey Kohli, of Chem Systems International, said there would be few major changes in the next 20 years in Europe and most other regions...

Over the next decade, however, both lighter and heavier fractions of the oil barrel would be used for the production of olefins—ethylene, propylene and butadiene...

Most new production plants would be built with a greater degree of flexibility to allow more varied use of available feedstocks, mainly naphtha and gas...

Mr. Lawrence Waddams, manager of the marketing services division of BP Chemicals, said the advent of North Sea oil would change the pattern of feedstocks...

The availability of ethane (the most economical route to ethylene) from the North Sea was of major significance, but few supplies—except for production of natural gas liquids, ethane, propane and butane from the Brent Field—would be available before the middle and late 1980s...

Such production would have to come from facilities not yet sanctioned—and Mr. Waddams expressed doubts about the viability of the Government's proposed £2bn North Sea gas gathering pipeline system...

Future projections for demand for ethylene, propylene and butadiene have become increasingly conservative, Mr. Waddams added...

Looking beyond the opportunities afforded by North Sea oil and gas supplies, Mr. Syd Andrew, senior research associate at Imperial Chemical Industries, said there would be no significant switch from an oil and gas-based petrochemicals industry to a coal-based industry worldwide for many years...

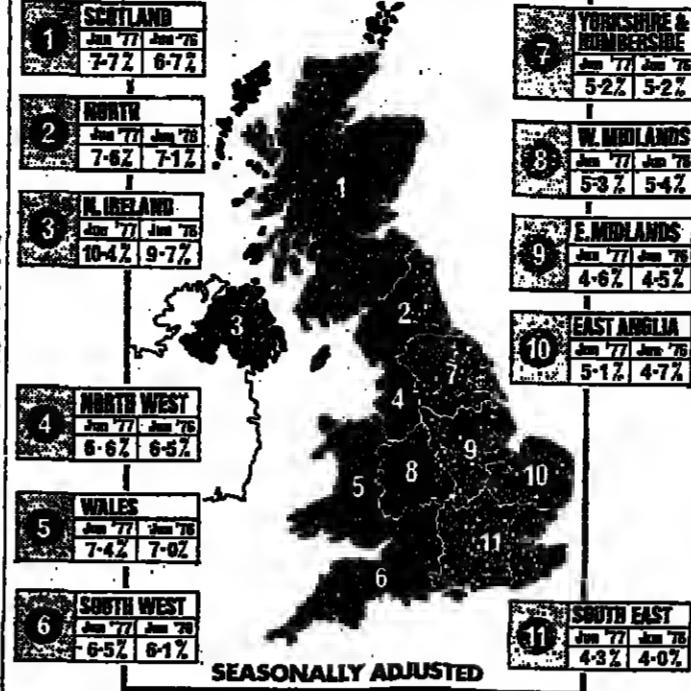
Such a switch would not occur as a significant percentage of the total until well into the 21st century. Over this timescale, synthetic gasoline would probably be required in quantity in the U.S. where cheap open-cast coal would be available...

In the U.K. it seemed unlikely that either adequately cheap coal or sufficient capital would be available for the construction of economically viable plants for synthetic gas and gasoline production...

It was therefore unlikely that any chemical plants would be established to make use of any by-product synthesis gas. By the year 2030 oil will no longer be a domestic, factory, and-office heating fuel, having been replaced by electric power, predicted Mr. Andrew...

Gas mains will have been filled by synthetic methane supplied from large coal conversion plants, and road and air transport will be powered by imported gasoline—mainly synthesised from local coal supplies.

UNEMPLOYMENT



SEASONALLY ADJUSTED

Differences in the percentage figures for those out of work between areas of traditionally high unemployment and the rest of the country widened again slightly last month—in contrast to the pattern during most of 1975-76 when the gap was narrowing...

Coal Board wants to avoid Belvoir probe

BY OUR SHEFFIELD CORRESPONDENT

THE NATIONAL Coal Board is with a planned annual output of 7m. tonnes of coal—equivalent to about five of today's biggest mines...

The Board has asked mining South Nottinghamshire and Leicestershire were given yesterday to delegates at the annual conference of the National Association of Colliery Owners...

The Selby colliery inquiry lasted for 47 weeks. A Public Inquiry Commission would be much more formal and lengthy inquiry than even the usual public planning inquiry...

Unions have agreed to back the NCB line and are urging ministers to assist the industry importance were first provided by the 1968 Town and Country Planning Act...

Present NCB plans envisage three new deep mines at Belvoir urgently required.

Share in U.S. project

BY DAVID FISHLICK, SCIENCE EDITOR

THE NATIONAL Coal Board has secured a foothold in U.S. plans to build a \$334m. (€194m.) demonstration plant for a new fuel oil, by heating coal in process for making substitute gas...

Scientists at the NCB's Utilization Research Laboratory at Leatherhead are studying a fluidised-bed gasification stage in the process, under a contract from the Cogas Development Co.

The Cogas process is the basis of a submission by the Illinois Coal Gasification Group of Chicago, a consortium which has been given a \$24m. contract by the U.S. Energy Research and Development Administration to design the new type of coal conversion plant...

If the design is accepted the consortium will build the demonstration plant in Perry County, Illinois, to convert 2,200 tons of coal a day into 18m. cubic feet of gas and 2,400 barrels of crude oil.

The NCB scientists have been working on a key stage called pyrolysis under a research contract for Cogas worth about \$2m. a year.

Pyrolysis is a method of cooking the coal gently in a fluidised bed in the absence of air to produce a solid char.

The NCB idea is that instead of using oxygen—an expensive commodity—to burn the char, part of the char itself should be heated in incandescence and recycled to supply heat to the gasifier.

Fluoride Alcad is spending £5.5m. on battery project. FLUORIDE Alcad is spending £5.5m. on new facilities in a bid already becoming a replacement world leadership in the design and production of nickel cadmium batteries.

Nearly half this amount has already been committed at its Redditch factory. The investment is taking it into new markets in North Sea oil exploration and production, including submersible batteries for seabed use.

Since the Ekofisk blow-out operating companies have tightened safety requirements. One contract with Conoco is alone worth \$40,000 and with batteries work in such harsh conditions the North Sea is already becoming a replacement world leadership in the design and production of nickel cadmium batteries.

The year saw the area's biggest influx of foreign holidaymakers. About one in 10 of the estimated 10m. who visited the region came from abroad.

Main reason was the weak state of the pound and the increased ease of access through the ports of Plymouth and Weymouth, says the annual report of the West Country Tourist Board, published today.

LABOUR NEWS

Post Office Engineering Union rejects pay curbs

BY OUR LABOUR STAFF

DELEGATES to the 125,000-strong Post Office Engineering Union's annual conference in Blackpool yesterday decided to reject any further phase of pay restraint. They accepted a recommendation from the union's national executive to oppose a new deal despite having supported pay policy for the past two years.

Yet the conference did reject demands to bypass a pay settlement under the current Phase Two guidelines to try and achieve a better deal after July 31 when the present policy expires.

This strategy was defeated on a card vote of 71,336 to 48,111. The union's members are due to get their £250-£4 settlement under the current policy on July 1.

The conference's decision to accept the executive's recommendation on pay means they will vote against any Phase Three deal that might emerge from current talks between the Government and TUC.

They consider that even if there is such a deal, and if it is approved by the trade union movement's annual congress in September, it will be flexible enough to allow negotiations on certain outstanding items.

For instance, they are anxious to negotiate a brand new productivity deal, linked to the technological revolution in British telephone service is expected to go through in the next few years, and they are also determined to make progress on a claim for a reduction in working hours by industrial action, if necessary.

Earlier, the conference accepted the plan for industrial democracy in the Post Office. This proposed two-year experiment already has the approval of the Union of Post Office Workers.

Between them, the two unions represent about three-quarters of the Post Office labour force. There remains little doubt that the plan will go through, even though several smaller unions catering for middle management, technicians and white-collar workers still have to state their attitude.

Yesterday's decision was taken by a card vote of 70,935 against 52,199, after debate in which the union's executive overcame Left-wing attempts to defeat the plan. Conference also endorsed by a slightly smaller majority the appointment of union representatives on Boards and committees.

After the vote, Mr. Tony Carter, secretary-general of the Council of Post Office Unions, said: "We shall be proceeding with our discussions with the Post Office on details required to set up the experiment, which will start in January."

The experiment is aimed at introducing union representation into decision-making areas at national, regional and local levels. After two years, the position will be reviewed.

At national level, each of the two major unions expect to have two seats on an enlarged Post Office Board, with the other unions taking three seats between them. The POEU will elect two Board members to-morrow.

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There is such a deal, and if it is approved by the trade union movement's annual congress in September, it will be flexible enough to allow negotiations on certain outstanding items.

For instance, they are anxious to negotiate a brand new productivity deal, linked to the technological revolution in British telephone service is expected to go through in the next few years, and they are also determined to make progress on a claim for a reduction in working hours by industrial action, if necessary.

Earlier, the conference accepted the plan for industrial democracy in the Post Office. This proposed two-year experiment already has the approval of the Union of Post Office Workers.

Between them, the two unions represent about three-quarters of the Post Office labour force. There remains little doubt that the plan will go through, even though several smaller unions catering for middle management, technicians and white-collar workers still have to state their attitude.

Yesterday's decision was taken by a card vote of 70,935 against 52,199, after debate in which the union's executive overcame Left-wing attempts to defeat the plan. Conference also endorsed by a slightly smaller majority the appointment of union representatives on Boards and committees.

After the vote, Mr. Tony Carter, secretary-general of the Council of Post Office Unions, said: "We shall be proceeding with our discussions with the Post Office on details required to set up the experiment, which will start in January."

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Young 'must be trained in vital skills'

By Our Labour Staff

BRITAIN'S economic recovery could be jeopardised by industry's failure to train young people in vital skills, Mr. Len Goodman said in his presidential address to the Confederation of Shipbuilding and Engineering Unions' conference in Scarborough yesterday.

The considerable reduction in the intake of apprentices into the engineering, shipbuilding and allied industries will, in all probability, prove to be a most short-sighted policy by the employers.

When industries were again prosperous, employers would run to the unions asking for a watering-down of skilled requirements.

Employers would be faced with a shortage of skilled workers—a shortage of their own making.

Britain was now paying for a long period of slack management, low investment, inadequate technological research and development, and probably insufficient market research coupled with a lack of control on the export of capital.

It was the responsibility of the trade union movement to make clear to the Government that today's unacceptable level of unemployment would not be tolerated.

"Training schemes will be futile unless there is some long-term economic planning by the Government to ensure there will be employment for those trained."

Referring to reports of over-capacity in shipbuilding throughout the world, Mr. Edmondson said: "We must oppose any reduction in shipbuilding capacity, or unemployment of shipbuilding workers, while our seafaring brethren are compelled to work and live in sub-standard ships."

Today, the Confederation is discussing pay policy. The automotive group of the Transport and General Workers' Union is asking for "a return to free collective bargaining—a trial run for its TGWU conference resolution."

Lift maintenance men to meet tomorrow

BY PAULINE CLARK, LABOUR STAFF

An unofficial strike by more than 1,000 maintenance men in Glasgow and Leeds. Many other sub-stations in the Otis network, however, are paid to be operating normally.

Strikers are planning to meet management tomorrow to reiterate their demand for reinstatement with back pay after their suspension by the company.

The dispute stemmed from an incident involving London Transport supervisors also attending to port when a group of Otis engineers were asked to pay for a institutions caring for the old security guard to supervise their use of a side access door at a new Fleet Line underground station. They had refused to use communication and Plumbing the normal entrance on the Union are striking. Other cities grounds that it was too dirty affected include Manchester, and were subsequently suspended after a walk-out.

Sex discrimination row over teenage job plans. AN ACCUSATION of sex discrimination was made yesterday against the Manpower Services Commission's proposals for countering teenage unemployment. The proposals were discussed in Cabinet to-morrow.

The Equal Opportunities Commission announced in London that it had complained to the Prime Minister that Manpower's £168m. plan for training courses and "quasi-work" projects would enforce traditional inequalities between men and women "at an open the company's London time when flexibility is more important than ever."

Equal Opportunities wants provided no Press material from there was sent to Darlington.

No progress. NUJ officials and Westminster Press management met again yesterday but failed to reach agreement on a proposal to build up gradually than instantaneously. It is understood that the porters action so far had little or no impact on the running of the hospital because other staff volunteered to fill gaps.

Hospital dispute spreads. THE East London hospital workers' back-pay dispute spread to a second major teaching hospital yesterday when a number of porters at St. Bartholomew's failed to turn up for casual overtime.

About 250 porters, cleaners, laundry and kitchen staff are expected to support a work-to-rule in the hospital although a spokesman for the main union involved, the National Union of Public Employees, said last night that the effect was more like a number of porters at St. Bartholomew's failed to turn up for casual overtime.

NEWS ANALYSIS ● FORD DISPUTE

Live issue of lay-off pay

BY ALAN PIKE, LABOUR STAFF

THE STRIKE at Dagenham, the production process—and literally at the end of a high line which conveys car bodies between the two adjoining factories on the Dagenham estate and union representatives in the body shop to sort out and see the earlier stages of production before the bodies reach the assembly plant.

After what they describe as years of frustrating lay-offs through disputes beyond their control the assembly plant shop stewards—with general support throughout Dagenham—told management in February that they would no longer agree to men being sent home without pay unless the cause of the stoppage was within their plant's control.

This was not Ford's first warning that internal lay-off claims were fermenting into a real grievance.

Last September, there were unprecedented incidents at Dagenham, widely described at the time as a riot, when a group of night shift workers arrived only to be sent home without pay. This resulted in more than £15,000-worth of damage.

Problem. Ford workers sent home because of disputes at outside suppliers receive 50 per cent of basic pay from the lay-off fund. But there is no payment whatsoever for strikes within Ford, so resentment of workers in the assembly plant may produce a positive pressure on union officials and fellow shop stewards to help resolve some of the difficulties elsewhere at Dagenham.

The company is convinced the solution must come by preventing minor disputes which can have widespread repercussions. And here it hopes that the assembly plant may produce a positive pressure on union officials and fellow shop stewards to help resolve some of the difficulties elsewhere at Dagenham.

Control. The management sees such a solution as akin to financing strikes by its own workers and believes that it would make unofficial walkouts more difficult to control.

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many of the problems which cause his members to lose time and money stem from the body shop. But he argues that this is a problem for management and union representatives in the body shop to sort out and see the earlier stages of production before the bodies reach the assembly plant.

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National Water Council raises £24m. Euroloan

BY DAVID FREUD, INDUSTRIAL STAFF

THE National Water Council the Yorkshire, Northumbria and the additional South West water authorities. They fall under the Treasury's exchange cover scheme, in which the Government agrees to provide the appropriate currency for payment of interest and repayment of principal at the end of the loan period, which the loan apply and sewerage schemes by was originally drawn.

BP to sell Unipart car spare parts

By Christopher Dunn

UNIPART, the British Leyland subsidiary, has negotiated a spare parts deal with BP and National Benzole which could be worth £2m. in sales by the end of next year.

The deal won't be in competition with the Ford spare parts concern, Motorcraft, allows Unipart to supply on a sale/exchange basis the 5,400 BP and National petrol stations with the 7,000 or so small parts that go into 50 per cent of all cars in the U.K.

Unipart expects 2,000 BP and National retailers will join by the end of 1978, with a turnover of some £2m. between them. The scheme is open to garages who are not operating a major car franchise. As far as BP is concerned, this means that 2,200 filling stations are eligible.

Airport expects 200,000. PRINCESS ALEXANDRA means a new £2.4m. passenger terminal at Aberdeen Airport yesterday. Welcoming the Princess, who was accompanied by her husband, Mr. Angus Ogilvy, Mr. Norman Payne, chairman of British Airports Authority, said: "As a result of the discovery of North Sea oil, traffic has grown dramatically. Indeed, Aberdeen is the fastest growing international airport in Britain and perhaps in Europe."

"Just 12 years ago, it handled 86,000 passengers a year. This year over 550,000 will use it, and of those 200,000 will be carried by helicopters to and from the oilfields."

When the Authority took over the airport in January, 1975, the terminal had insufficient room for suitable expansion, so we decided to build completely new terminal complex in an uncongested area, with room for further development."

PHILIPS Nfls. 100,000,000.— 6% bearer Notes of 1972 due 1976/1979 of N.V. PHILIPS' GLOEILAMPEN-FABRIEKEN. Second Annual Redemption Instalment. August 1, 1977.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

ENERGY

Provides continuity

STANDBY OR no-break power supply equipment is being made and marketed by Thorn Automation under licence from C.T.S. of Canada. The range includes single and three phase static converters, static switching equipment, ac to dc converters, and frequency choppers.

Available for ratings up to 200 kVA, the equipment is battery powered—size and life of the battery pack depends on the application. To minimise down-time the equipment is protected by high speed circuit breakers, and to provide maximum reliability and a large overload capacity the components are derated.

Inverter outputs are passed through wave shaping filters to reduce the sine wave distortion to, normally, 3 per cent, at the rated load. Standard output is 115/120 or 230/240 V, single or three phase, regulated to ± 2 per cent. Standard frequencies are 50, 60, 400 or 1000 Hz.

More from Thorn Automation, PO Box 4, Russett, Staffs, WS18 1DR (08594 5151).

More panels for solar heating

THREE NEW solar energy collectors all suitable for mass production, will be on show to the public for the first time at an exhibition entitled "The Solar Household" in Weylyn Garden City on July 1 and 2.

The organiser of the exhibition, Mr Anthony Wigens of "Country College", predicts that over the next two years, sales of solar heating systems will take off in Britain as they did in the United States in 1974-75, and that mass production methods will make the boom possible.

The three new systems employ roll-bonded aluminium, extruded plastic and glass reinforced cement instead of the traditional copper or steel case, to form the housing in which a domestic water supply is pre-heated by sunlight. These materials eliminate a great deal of expensive hand-assembly work.

One manufacturer is making solar polypropylene panels at the rate of 150 a week, and that production methods will make the boom possible.

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Energy use monitored

KENT Automation Systems, the computer control system specialist of the George Kent Group, is building a distributed computer controlled telemetry system for the British Steel Corporation development at Redcar.

It is also producing equipment to expand an existing installation to a similar system. When complete, both dual systems, one monitoring the fuel distribution the other controlling the electrical switching network, will be linked to a co-ordinating computer to meet the "Centralised Overall Control" concept specified by British Steel for this plant. The total value of new

RESEARCH

Making the best of poor coal

COMMISSIONED BY British Columbia Hydro and Power Company, Vancouver, Canada, and the Canadian Federal Department of Energy, Mines and Resources (EMR), a study contract has been placed with Coal Processing Consultants (CPC)—a partnership between the National Coal Board and Woodcraft/Duckham.

AIM is to investigate the feasibility and conceptual designs of demonstration plants for clean and efficient methods of producing gas and electricity from Canadian coals.

CPC has nominated Intercontinental Engineering, Vancouver, as its local partner and is working with Acres Consulting Services, also of Vancouver, who have been awarded a parallel contract to carry out environmental studies.

A previous study commissioned by Hydro and EMR indicated that equipment for fluidised combustion was not yet available on a scale suitable for the 2,000 MW thermal generating plant Hydro is proposing to build in the Hat Creek area, and recommended construction of a small demonstration plant.

The present study is considering construction of such a plant, using pressurised fluidised combustion and coal gasification for conversion of coal to "clean energy".

Pressurised fluidised combustion allows a choice of several configurations for the combustor. In all forms, crushed coal is burned in a turbulent bed of ash, which is kept in suspension by high pressure air blown up through the bed.

The studies and conceptual design are to be completed early next year at a cost of about £275,000.

It seems unlikely that the results of the study will be made available in the U.K.

MACHINE TOOLS

Marking metal

ETCHING PART numbers, code numbers, etc., on batches of small parts can be carried out with an automatic metal marking machine introduced by Lactotech (Great Britain) Limited.

Permanent marks can be etched on conductive metal surfaces in one or two seconds. Black or bright marks can be obtained with most metals or metallic coatings at production speeds up to 200/minute. Marks can be made on flat, round or tapered shafts, depending on the type of marking bed used.

Cylinders with diameters up to 25mm, can be marked on the circumference. Thread depth is 125mm. Output voltage is dc and dwell times are infinitely adjustable. The unit has additional output sockets for supplementary hand marking, independent of the marking head.

Details from maker at Mount Road, Hampton Road West, Hanworth, Feltham, Middx (01-895 4384).

QUALITY CONTROL

Resonance shows the faults

ENTERING a new field for the company, Instron has introduced an electromagnetic resonance machine to meet the need for high speed, fixed frequency, dynamic testing at loads to 300 kN (20 tons) and frequencies in the range 100-300 Hz.

Typical applications are in the evaluation of basic stress/cycle (S/N) data, fracture toughness testing, crack growth and the determination of fatigue properties of a range of materials and components.

Including a self-storing system with closed loop tuning and magnet air gap servo control, simple pushbutton control and low running costs—maximum consumption is 750W single phase to keep a specimen in resonance. The free-standing load frame is of low weight and does not need seismic masses or the special flooring normally associated with this type of equipment.

Specimen sizes range from 5 to 15mm diameter, and the machine can be used for testing the fatigue strength of com-

SOFTWARE

Cobol for a GEC machine

COMPUTING Department at North Staffordshire Polytechnic is in collaboration with GEC Computers to develop a Cobol compiler and run-time package for the GEC 4000 Series. This compiler will support the higher levels of implementation of the ANS 74 specification which implies, among other things, full real-time communication capabilities. The release date is expected to be in the autumn of 1978.

The Polytechnic has taken delivery of a GEC 4052 processor with 256 kilobytes of core store, two 35 kbyte disc units and input/output peripherals including a quantity of visual display unit. It is operated under GEC's 16-user Ope multi-access system. GEC Computers, Elstree Way, Borehamwood, 01-875 2030.

REPROGRAPHICS

Produces four full-scale prints for engineers per minute

WITH JUST over a year of de-termined marketing of the world's first A0 size engineering plan microfilm printer in a number of major industrial countries behind it, Intec is well on the way to disproving the cynical comment sometimes made about innovators that "it does not pay to be first."

And despite the heavy burden the venture and all the travelling has imposed on senior staff, together with planning for an upsurge in interest which is coming faster than at first thought possible, product development has not slowed down since the company has now launched a powerful desk-top reader-printer, the A2.

This machine can be used as a production unit or for reference prints, operating on aperture card or roll film with magnification under control of the viewer.

Scene control allows a section of particular interest to be blown up and A2, A3, A4 paper sizes in portrait or landscape presentation can be selected.

Paper feed uses the Intec suction system and allowance

can be made for cartridges where gullotining is not of true.

This particular machine, as well as the other smaller reader-printers may be built in the U.S. from components made in Britain if negotiations now in progress come to a successful conclusion. The large machine will not be at least for the time being, since it has only just been given a send-off there—at a major exhibition in Dallas. Significantly, interest was so great that equipment was bought right off the stand, while the distributor's initial order of 25 A0's was increased immediately to 40 and is still going up.

One of the first takers of the equipment is the giant Bechtel engineering corporation which has major centres all over the U.S. There could, of course, be a severe service problem for a relatively small organisation such as Intec, selling into a country the size of the U.S., except that the A0 equipment is highly reliable and simple to service.

For instance, Pleaser's reprographics centre at Swindon took one of the first group of production machines. Since

then, the unit has had two half-days down in 14 months' continuous working. During this time, usage has risen to about 500 prints a day with Pleaser providing, for the time being, a reproduction service for outside firms.

BP is averaging about 800 prints per day and its requirement for non-standard size was very simply met.

In fact, simplicity is the keynote of the unit which is so easy to operate that the writer learned to handle it in less than ten minutes. But this simplicity—as is so often the case in good engineering—is deceptive since it is the outcome of many years' development towards equipment which is "user friendly." Nevertheless, the unit is capable of extremely fine adjustment so that any detail of a complex drawing can be selected and blown up at will. An A0 print costs 32p and an A4 2.5p.

Maximum size (that is A0) is 331 x 481 inches. Input is 35 mm, 16 mm, aperture card, roll-film, fiche and CO—computer output to microfilm. A microfilm panel contains all the indications and warning lights the operation requires and I.L.B. 01-304 8356.

covers the electronic logic contained on one large printed circuit board.

The equipment is not power-hungry and does not run hot, requiring only a 13 amp plug with 5 amp fuse.

Intec has solved part of its overseas representation problem by appointing Oee (which recently acquired Omald) as its European and U.S. representative, but the job of convincing major potential users came first, according to Gerald Frankel, head of the company.

A0 orders are now running at a total of around 100, which means about £1m. worth of exports of equipment and a further £1m. of consumables—and Intec has an interest in its paper manufacturer. With the smaller reader/printers, a further £1m. or so can be added to the export ledger, plus about the same for equipment made under licence and exported. So far, the competition seems to have had little impact on the way in which A0 is being accepted and at the rate at which interest is growing, it will be hard to beat.

Intec Microfilm, 170 Honeypot Lane, Stammer, Middx. HA7 1LB. 01-304 8356.

TELEVISION

Portable converter

A SIGNIFICANT achievement by a British company, Quantel, that already exports 90 per cent of its output, has been to reduce the size of television standards conversion equipment from two or more six foot equipment racks to a 12-inch high rack mounted cabinet.

The DSC 4000 utilises the latest solid-state devices including microprocessors, but they are all "off the shelf" items and no special microcircuits have been used.

Power of the converter—it manipulates 3m. picture points every 20 milliseconds—stems from the use of real time processing with microprocessors and stored program software. The machine not only converts any TV standard to any other but simultaneously can improve the picture by reducing the noise that is present on, for example, many satellite broadcasts. The unit will provide "air" conversion and will work to tape. There is also a frame store to allow "freezing" of pictures.

The company has also just announced the DFT5000, an electronic digital processor that provides cameramen with a second chance to capture an incident



by "zooming" up the replay on an interesting part of the shot. Its principal application however will be in post-production editing because it enables producers to manipulate at will the size and proportion of pictures. It can zoom in on a segment of the original frame to give up to four times enlargement or can zoom out to produce strange proportions for special effects. It can also squeeze pictures from top/bottom or the sides.

The equipment, which uses similar digital techniques to the standards converter, will obviate the need to turn videotape into film and then produce these special effects optically, followed by another transfer back to videotape for broadcasting. Quantel is at Interface House, Crofton Road, Caterham, Surrey CR3 6OD (Caterham 45821).

By agreement between the Financial Times and the RBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

COMPONENTS

Precision control

INTENDED to take the place of mechanical cam-actuated switches a programmable limit switch from Technation will eliminate all the problems encountered with mechanical counterparts, or so the company indicates.

It does away with the difficulty of setting cams to the desired accuracy, avoids the needs to close down machines for cam adjustment and for frequent re-setting. Cam wear, and eliminates the time lags inherent in cam devices.

This switch is based on a rotary precision transducer which is coupled to a machine shaft. A three-wire connection links this to a control box which can be set much as 1000 feet away. All settings and adjustments are made from the box simply by moving thumbwheel switches.

Shaft angle is displayed at the box and up to six relays can be operated at switch programmed limits with a ± 1 degree angular accuracy, without lag or ambiguity. Shaft speeds can go up to 300 rpm.

More from Technation, 58 Edgware Way, Edgware, Middx. 01-858 3111.

SERVICES

Members on a database

SYSTEMS development and bureau services have been contracted for with the Association of Certified Accountants (ACA) and Systems Consultants of Edinburgh.

Initial object is the construction of a tailor-made suite of programs to process the ACA membership, student registration and examination statistics and to build and operate the suite on SCL's 158, based in Edinburgh.

One of the six recognised accounting bodies in the U.K., ACA has a qualified membership of 18,000 and a student membership which has been rising by about 10 per cent annually to its current 68,000. The association offers an open door policy to would-be accountancy students and, consequently, has a high number of applicants and students who have a considerable freedom of choice of when to present themselves for examinations. This is a major factor in the ACA's big processing problem.

More from SCL at Finance House, Orchard Brea, Edinburgh EH4 1PF. 031-332 0341.

New Issue
June 22, 1977

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Westdeutsche Landesbank Girozentrale

Ahli Bank of Kuwait (K.S.C.)

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Banca Nazionale del Lavoro

Bank Julius Baer International Limited

Bank Mees & Hope NV

Banque Française du Commerce Extérieur

Banque Internationale à Luxembourg S.A.

Banque de Paris et des Pays-Bas

Berclays Bank International Limited

Bayerische Hypotheken- und Wechsel-Bank

Joh. Berenberg, Gossler & Co.

Berliner Handels- und Frankfurter Bank

Christiane Bank og Kreditkasse

Creditanstalt - Bankverein

Credit Industriel et Commercial

Daiwa Europe N.V.

Deutsche Girozentrale - Deutsche Kommunalbank -

Dresdner Bank Aktiengesellschaft

Eurobifare S.p.A. Compagnia Europea Interbifare

Robert Fleming & Co. Limited

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

Groupement des Banquiers Privés Genevois

Hessische Landesbank - Girozentrale -

Industriebank von Japan (Deutschland) Aktiengesellschaft

Kidder, Peabody International Limited

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

Lazard Frères et Cie

Merck, Finck & Co.

Morgan Grenfell & Co. Limited

Namura Europe N.V.

Sal. Oppenheim jr. & Cie.

Privatbanken Aktiengesellschaft

Salomon Brothers International Limited

Shields, Model Roland Inc.

Sogen-Swiss International Corporation

Svenska Handelsbanken

UBS-DB Corporation

M. M. Warburg-Brinckmann, Wirtz & Co.

Westfalentank Aktiengesellschaft

Yamaichi International (Europe) Ltd.

Algemene Bank Nederland N.V.

Arab Financial Consultants Company

Banca Commerciale Italiana

Banco di Roma

Bank für Gemeinwirtschaft Aktiengesellschaft

The Bank of Tokyo (Holland) N.V.

Banque Générale du Luxembourg S.A.

Banque Nationale de Paris

Banque Rothschild

Baring Brothers & Co. Limited

Bayerische Landesbank Girozentrale

Bergen Bank

Caisse des Dépôts et Consignations

Commerzbank Aktiengesellschaft

Credit Commercial de France

Credit Lyonnais

Den Danske Bank af 1871 Aktieselskab

DG Bank - Deutsche Girozentralebank

Effektenbank-Warburg Aktiengesellschaft

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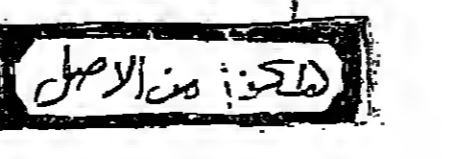
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PARLIAMENT and POLITICS

Tory attack on price controls beaten off

Peers limit Minister's power to vary rebate

Sheldon promises study of wider tax exemption

Investment check Bill rejected by 15 votes

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A TORY ATTEMPT to abolish the Price Commission by 1980 at the latest was defeated in the Commons last night after Mr. John Fraser, Minister of State for Prices, had told the House that the Government wants the new Commission and some form of price control to continue on a permanent basis.

Mr. Hattersley had only said that the present code should have a finite life. However, the Government did not see a permanent separation of identity of the Monopolies Commission from the work of the Price Commission. At some time in the future, it would like to ensure much closer working and unity between the two bodies. It was not possible to say at the moment how that would work out in detail.

ALTHOUGH SUPPORTED by Mr. John Pardo (L., North Cornwall), two early Tory challenges to different aspects of the new rules for taxing benefits in kind, introduced in the 1976 Finance Act, failed during further proceedings on the committee stage of the Finance Bill last night.

free accommodation in respect of expenditure on non-structural repairs, maintenance and decoration. Mr. Sheldon explained that the clause already provided a "long stop" restricting to 10 per cent of the emoluments of the employment the amount of tax which could be charged in respect of expenditure on repairs and maintenance.

Premier's 'better times' challenged by Tories

LOUD TORY derision greeted the Prime Minister yesterday when he repeated to the Commons his weekend "better times are coming" message.

Speaking of his regret that left-wing amendments to the Bill had not been chosen for debate, he said: "We would have liked to see the Commission being able to freeze prices completely and make firms enter into planning agreements."

Provisional Sinn Fein step up call for British withdrawal

A STEPPING UP of the Provisional movement's campaign against existing pressure on Britain to withdraw from Ulster was announced yesterday in Dublin.

PM rules out banks takeovers

THE PRIME MINISTER to Commons yesterday that he had no intention of putting to Cabinet any proposals for nationalisation of banks insurance companies.

DAILY FLIGHTS TO NEW YORK. Now Iran Air have flights to New York every day of the week. All by Jumbo. Either our latest plane, the 747-200B; or the 747SP, the 'Special Performer'. All leaving Heathrow at 14.15.

Negotiators near to deal on U.S. flights - Callaghan

BRITAIN AND the U.S. are now near agreement on new arrangements for scheduled air services between the two countries, the Prime Minister told the Commons yesterday.

Fraser hints at statutory safety standards in Bill

THE GOVERNMENT is considering giving British Standards statutory recognition in the Consumer Protection Bill, which comes before Parliament in the next session.

Written Answers

THOMAS LOCKER (HOLDINGS) LTD. "ALL TIME RECORD" ... Mr J. R. Locker, Chairman. Summary of Results: 1977 Sales 15,685, 1976 Sales 12,100.

HONGKONG (Selangor) RUBBER. MR. ADDINSELL'S STATEMENT. The Sixty-fifth Annual General Meeting of Hongkong Rubber Limited was held on June 20 in London, Mr. J. Addinsell, the Chairman, presiding.

Planning law protection bid for showmen fails

AN ATTEMPT to give travelling showmen special protection under planning laws failed by a vote in the Lords yesterday.

Minibus Bill unopposed

THE MINIBUS Bill would be of enormous value to great numbers of people, Baroness Young, Conservative environment spokesman, told the Lords yesterday.

Pensions statement promised

THE GOVERNMENT is planning to make a statement "in the not too distant future" on plans to give trade unions half the trustee positions in occupational pension schemes.

Industry

Mr. Frank Hooley (Lab., Hoveley). What is the current involvement of British Petroleum in deep sea mining ventures to exploit manganese nodules from the sea-bed?

electrocomponents limited. Trading results for the year to 31st March 1977 (Subject to audit confirmation). 2nd Half year 1.10.76 to 31.3.77, Full year 1.10.75 to 31.3.76.

THE FINANCIAL TIMES

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Chancellor Schmidt's rule by cliff hanger

BY JONATHAN CARR, Bonn Correspondent

Unemployment jumps

THE MOST OBVIOUSLY reversed in June does at least striking feature of the latest sharp rise in the number of unemployed school leavers: it rose in the month to early June by over 100,000, taking the total number of people out of work in the U.K. to 1.45m, or 6.2 per cent of the working population.

The more serious feature of the latest figures, however, emerges when school leavers are left out of the total as a special factor and account is taken of normal seasonal variations in the monthly returns. Since February until now, the seasonally-corrected unemployment figures have been surprisingly cheerful.

Now, quite suddenly, the picture has become much more bleak. Unemployment, seasonally corrected, is reported to have jumped by an less than 36,000 between May and June, while the number of unfilled job vacancies also fell. Some special factors, as usual, have to be taken into account. The June count was taken just after the Jubilee holiday, which may have led to some hunching of dismissals. It is said that perhaps 5,000 of the increase is due to the change from manual to computer counting of the unemployed registered with Professional and Executive Recruitment. And the fact that the unexpected trend of the months February to May has been suddenly and more than completely

Using Comecon's resources

THE COMECON countries have since justification for claiming to have stayed off the worst effects of the world economic crisis. Their growth rates have been a steady five to six per cent for several years, and their technological progress unmistakable. But this has been due to special advantages which they will not enjoy for ever: the Soviet Union's ability to supply large amounts of raw materials, including fuels at below world prices, and the West's willingness to finance the grouping's ever-growing hard currency debts.

The raw materials and energy situation has become particularly acute because of the Soviet Union's inability to open up new sources of supply fast enough, notably for fuels, minerals and timber most of which have to be obtained from distant and difficult regions like Siberia. When these shortages were foreseen during the past Five Year Plan (1971-75), the Russians decided to call on other Comecon countries for help, and effectively told them that if they wanted primary materials, they would have to contribute towards the cost of opening up the sources of supply. Hence the so-called joint projects like the Orenburg gas pipeline, the Ust-Ilim timber processing centre and the Kiyemba asbestos plant for which the East Europeans are supplying equipment, credits and even manpower in return for supplies over a five to ten year period.

These contributions placed a heavy burden on the East Europeans. But at the same time the Russians gave notice that the price charged for these materials would gradually be brought up to world levels, probably by 1980. Although the East Europeans also now get higher prices for their exports to the Soviet Union, the net change in terms of trade

BONN nowadays eerily reminds some old bands of the days before Dr. Ludwig Erhard's resignation as Chancellor in 1966. A Head of Government is once again out of favour with forces in his own party which could bring him down. And again he relies for office on a small, discontented coalition partner who may be ready to bolt. Herr Helmut Schmidt saw his controversial tax package go through last week with a majority of no more than three. Yesterday he underwent the embarrassment of having to fight off a vote of personal censure brought in by the opposition. It arose from a finding of the Constitutional Court that Herr Schmidt, while Minister of Finance in the Brandt Government, had improperly authorised the expenditure of certain funds without asking Parliament. The life of the Government was not at stake, but none the less few people in Bonn believe that the present sort of "government by cliffhanger" can continue until the term of the Bundestag expires in 1980.

The Schmidt-Erhard comparison is tempting, but ultimately deceptive. The truth is that the party political landscape in Germany is changing in a way more complex than in Dr. Erhard's time. It seems that the trend away from splinter parties which has marked the whole history of the Federal Republic since 1949 has started to reverse. The Christian Democrat (CDU) leader, Dr. Helmut Kohl, will be just as much a victim of this development as the Social Democrat (SPD) Chancellor, Herr Schmidt, and the SPD chairman, Herr Willy Brandt.

Seen from outside, the dispute about coalition plans for tax changes looked like a storm in a teacup. The issue hardly seemed sufficient to endanger a partnership of nearly eight years' standing. But within the SPD it was seen otherwise. One former minister gloomily recalled a week in advance of the vote that the last Social Democratic Chancellor of the Weimar Republic, Hermann Mueller, was toppled over a 1 per cent increase of unemployment insurance contributions. It would take a really big effort to bring the SPD rebels round, the minister added.

So it proved. The left wing of the SPD has long felt that the coalitions' junior partner, the Liberal Free Democrat Party (FDP) has too big a say in government. Now it was asking the SPD to agree to a cut in property tax—a measure which the Left believed simply handed a DM1.5bn. (\$380m.) gift to the 0.9 per cent wealthiest members of the population. The SPD leadership was ready to put up with this to prise other tax measures out of the FDP. But for five SPD deputies it proved too much to swallow. Three voted against

and two abstained. Had all five voted against, the coalition's majority of 10 would have vanished and the tax package would have failed. In that case several key members of the FDP were determined to press for breaking the coalition.

As it is, the tax measures must now go to the Bundesrat, the second chamber grouping representatives of the Governments of the Laender, the federal States. Here the opposition has a majority. It even is in coalition with the FDP in two States. Little wonder that going well beyond the left wing, some dismay that previous Little Social Democratic policy seems to get onto the statute books these days.

It would thus be wrong to imagine that the Government is in trouble just because it has a slim majority and a handful of left wingers who can sway the balance. The whole parliamentary party is increasingly disinclined to act as a rubber stamp even for hard-won coalition compromise proposals which really seem to be the best the two parties can manage to produce together.

The first warning came right at the start of the new legislative term in 1976 when the Government produced proposals on pensions apparently cutting clean across election pledges given a few months earlier. The SPD parliamentary group made it clear the measures were unacceptable and the Government had to go back and think again.

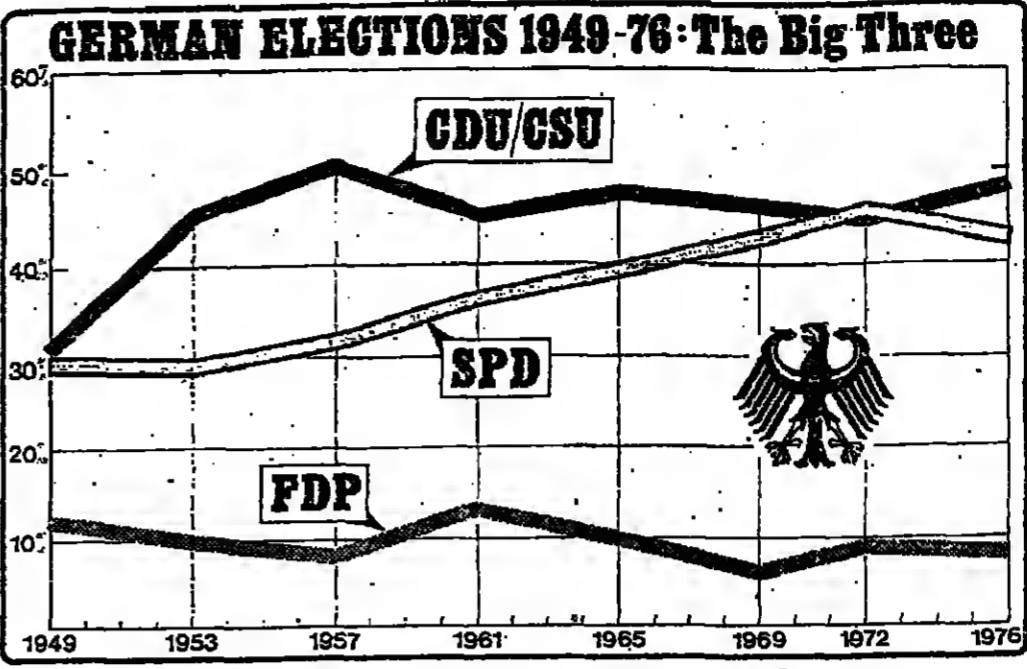


Table titled 'THE ALSO-RANS OF THE ELECTIONS' showing the percentage of total votes obtained by splinter groups (NPD, Communists, Others) from 1949 to 1976.

dragged to preserve the coalition. Temperamentally he is poles apart: both from Herr Schmidt and from the powerful, irascible leader of the SPD parliamentary group, Herr Herbert Wehner. But he fears that if the coalition falls the opposition will produce something so much worse that almost any sacrifice is worthwhile to stop it. He therefore tries both to help SPD and FDP to stick together and to prevent his own party from splitting. He is criticised by the Left for selling out his principles, and by the SPD Right for being too soft towards those who are Communist in all but name.

A group of the SPD Right has now even founded a new party, called the Social Democratic Union (SDU). It held its first meeting last week, claiming a present membership of only 3,500, but believes it can leap the 5 per cent hurdle of popular support needed to obtain parliamentary representation at the next election.

To no one's surprise it has emerged that leaders of the new group had talks earlier this month with Herr Franz Josef Strauss, head of the CDU's sister party, the CSU, which operates only in Bavaria. Herr Strauss has long toyed with the idea of forming a fourth party, operating throughout the Federal Republic. He feels that SPD and FDP will continue to operate as a single bloc at Federal level, and that it will be virtually impossible for the CDU-CSU alone to regain the absolute majority in a general election.

But there is a strong element of personal frustration involved too. Herr Strauss's career in Bonn began at the foundation of the Federal Republic itself in 1949, and he has been outstandingly successful in his Bavarian home state. Despite that, he had to accept reluctantly the CDU leadership, Dr. Kohl, as opposition candidate for the chancellorship in last year's elections. Herr Strauss makes no secret of his belief that Dr. Kohl is not of the stuff of which good Chancellors are made.

The CDU and CSU almost split before the Bundestag elected in 1976 had even met. Now it is widely felt that Herr Strauss is only waiting for the right moment to take his CSU out of the alliance and align it with a new country-wide party. His talks with the new SDU fall into this context. What does he stand to gain? The FDP provides a useful example. It won only 7.9 per cent of the vote at the last election, yet its leader, Herr Hans Dietrich Genscher, is Vice-Chancellor and Foreign Minister and, as the SPD complains, the party sometimes has an uncomfortable strong influence on Government. Herr Strauss may be opening a Pandora's box for himself, since it is not certain that the whole CSU would follow him.

But few doubt any longer that Herr Strauss's fourth party is on the way. All these events combine to make the German party scene far more fluid than for many years past. More to the point, they will make the business of stable government more complex. Eleven parties were represented at the first meeting of the Bundestag in 1949. Since 1961 there have been only three. On the far right the NPD has since come close to crossing the 5 per cent hurdle, but last year neither it nor the Communists could command 1 per cent of the vote between them. The addition of a fourth party, and perhaps even a fifth from the SPD left, will mean a confusing number of possible alliances. It was reported recently—and almost too hotly denied—that Herr Strauss and Herr Wehner had held a secret meeting. An SPD-CSU alliance seems hardly conceivable—until it is recalled that both men worked together in the Grand Coalition of Dr. Kurt Georg Kiesinger in the late 1960s, after the fall of Dr. Erhard.

alliance, even under circumstances. It is plain enough that developments are taking. It is less easy to say why. Insist that the two parties have become too: are trying to embrace which are ultimately in-eligible. Then the SF become accident prone, of scandals and of aff: "jobs for the boys" inc that it has been in off Inna. Herr Kohl is seen being a dogged provincial who is quite out of his de the Bonn political scene. Is some truth in all this, real reason lies deeper: does not apply to the I Republic alone. For: admiration from outside German achievement, the widespread feeling with country that it is in a si over which it has little. One cabinet minister recently there was too talk, too little decision, a full spokesman of the days autocratic Chancellor, Dr Rad Adenauer, when their dnc. But it is d whether the appear another Dr. Adenauer make much difference. This feeling of a lack truly goes beyond foreign where the Government clear case for saying t possibilities are limit covers above all the e and in particular the prob unemployment, still stan little under 1m, and ill average close to that f year as a whole.

The Government coddled its brains on reduce unemployment—least has had the sense adopt the more foolish a proposed. The opposit produced plans promp harshly criticised from its own ranks. Industry is to invest to produce m—but instead invests pr to rationalise, not to The public increasingly i that neither side has an and that high unemp will probably continue fo come.

The reaction is not l let alone violence. The lary social security syste is to that. But it is little rather less "grand" coalition—people become more s between a slimmed down SPD able to arguments from extremes—not from the nausts or the NPD, w Herr Strauss make off, quite possibly with a clutch of CDU right wingers. In the centre of both these two big parties there are moderate men who can work together well enough. Last year, for example, it was Herr rather unkindly said that Herr Schmidt was the best CDU Chancellor whom the SPD had possessed. On the other hand should be drastically re the experience of the 1960s, and ready to brandish a cure creation of an extra-parliamentary opposition, makes many reasonable men hesitate to try to repeat an SPD-CDU themselves.

MEN AND MATTERS

Business opportunity

Much perturbation in Peterborough yesterday. Somebody wanted to give a company away, claiming it to be a successful one except that it suffered from the familiar problem of too much red tape. Over a box number, the local evening newspaper carried an advertisement from an anonymous businessman who said he had spent the last 15 years building up his firm but he was now exasperated with the mountains of paper work which had been thrust on him by the Government.

"Due to the extreme work caused by continuous stupid Government legislation," he complained, "I am now more civil servant than businessman, a situation that is quite unacceptable and must end. In view of the fact that in these recessionary times it would probably be impossible to sell my company, I propose to give it away.

The person to whom I give my company will require no capital or other financial outlay, merely the guts to walk in and take the opportunity of a lifetime. Basic qualifications are the preparedness to work 60 hours a week, some engineering or sales experience and a clear appreciation that no British government will ever have any time for a small firm."

Chateau Warhol

Must of us care a lot for the contents and little for the label when it comes to consuming wine, particularly if it is of the quality of the famed Chateau Mouton Rothschild. In fact, since 1945, Baron Philippe de Rothschild has selected noted artists to create labels for Mouton Rothschild: the work was done by no less a personage than Pablo Picasso for the 1973 vintage, the year Chateau Rothschild was elevated to the top tier of Bordeaux wines.

Now, for the first time, the Baron has turned to American artists, which might do some- thing to help ailing sales of French wine in the U.S. Robert Motherwell of Greenwich, Connecticut has designed the 1974 label. Entitled "Les Caves," it is an abstract black yellow representation of a ram (mouton).

The subject of the 1975 label has been submitted, but not yet disclosed, though the design is said to be strictly American. The artist is Andy Warhol, the pop artist who did so much to elevate the soup can in its rightful place in the world of art.

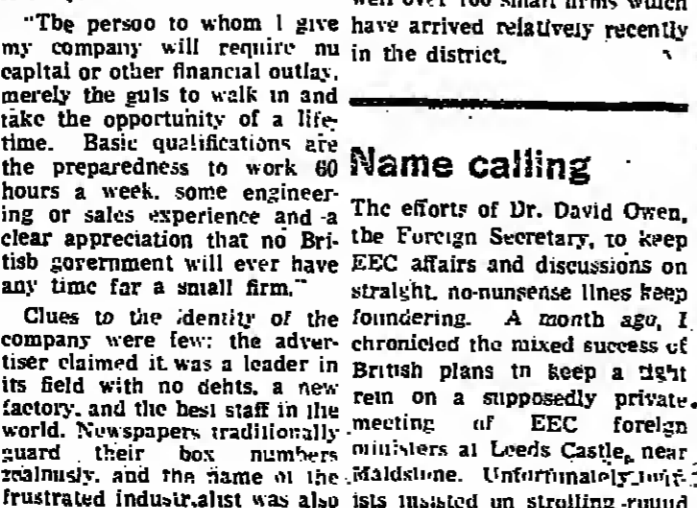
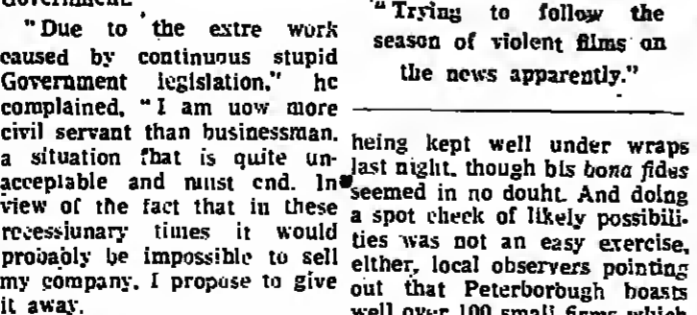
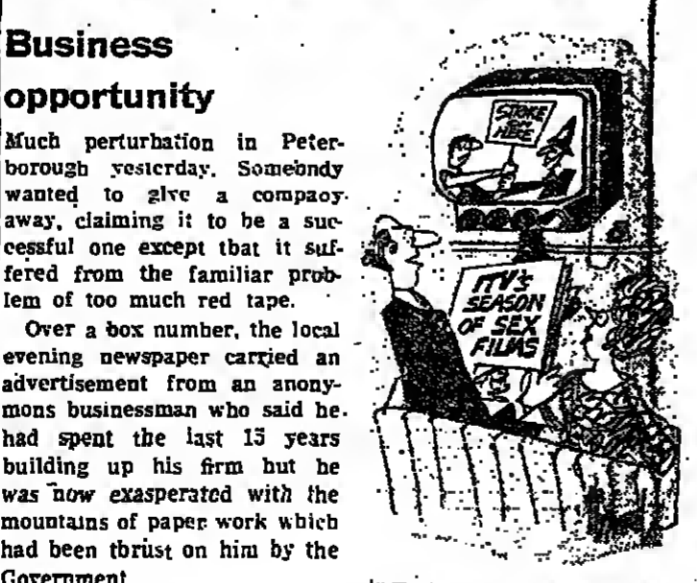
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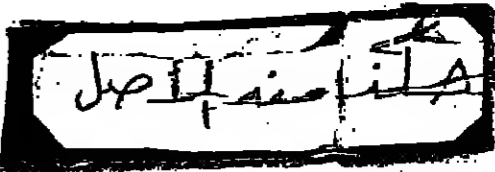
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European Vehicle Components

The motor components industry is developing on a truly European basis. While rationalisation is slowing down, there is an increasing overseas effort, particularly in the U.S., where European groups are beginning to supply more and more local manufacturers.

ONE OF the most striking examples of the development of a truly European market since the formation of the EEC lies in the motor industry. All of the largest countries within the group have national car and truck industries which, until about ten years ago, effectively kept foreign imports at bay. To-day it is an accepted fact that these nations will take over 20 and 35 per cent. of their car imports from Europe, with Britain going up to 45 per cent. because of the large numbers of imported vehicles from Japan.

The result of this flow of new cars across national boundaries has been to create more overseas markets for the national component companies. Suppliers to the big vehicle groups have seized the opportunity of following them abroad to serve their needs in the replacement market. From this has developed more overseas manufacturing facilities, the creation of new international distribution systems—often through acquisition—and the growth of larger component groups with an international scale.

At the same time, the motor manufacturers themselves have been encouraging a more international system of supply. One of the reasons for this is the feeling that, where possible, it is wise to have alternative sources of supply for the main vehicle components. This gives greater cushion against international disruption and transport problems, along with more leverage on prices. The second

reason is the buying opportunities created by the rapid readjustments which have occurred in European currency rates in the past ten years. These have encouraged buyers to go further afield for components, Britain in particular, having gained from this move because of its low wage economy and competitive exchange rates.

The two most obvious protagonists of change among component manufacturers in this period have been British and American companies, who have developed overseas for rather different reasons. On the one hand the British companies have been well placed to adopt an international posture because they have tended to have greater independence from the component manufacturers compared with their Continental counterparts. This freedom, combined with the troubles of the U.K. vehicle manufacturing sector in the last ten years, has given them every reason to search out new markets.

By contrast, the U.S.-based concerns have come to Europe as part of the worldwide multi-national drive which got underway in the mid-1960's. Europe at that time was seen as a significant growth market compared with North America where new car sales were flattening out.

Rationalisation

Under pressure on these two fronts, the European component industry has come in for substantial rationalisation right across the board. Two large electrical and electronics

companies have developed in variety of businesses in building Lucas of the U.K. and Bosch of Germany; clutch manufacturing components groups in the last decade, under its wing, among others, are Teves, the German brake company, Koni, the Dutch shock absorber specialist and a diverse handful of Italian companies. TRW, another American multinational, has spread its net widely in the U.K., whereas Eaton has stayed close to its own U.S. base business in axles and transmissions.

The question now is how much further these moves towards European integration can go. There is no doubt that in the past two or three years the acquisition fever in the industry has died down, partly, perhaps, for tactical reasons, but partly because there have not been so many suitable companies up for sale. Most of the medium-size concerns in the industry are now part of larger groups. This leaves only smaller operations which either do not interest the major companies or are too firmly entrenched under family management to want to change.

At the same time, the GKN bid for Fichtel and Sachs, which the British company has had to fight through the German Courts against monopoly legislation, has shown that official opposition is hardening against the establishment of potentially monopolistic organisations. This implies that there will be

ponent manufacturers to open new plants there. Cibié, the French lighting equipment producer, has a large plant in Southern Spain, and both Armstrong Equipment and Estou have recently made new investments.

The other untapped area for European producers lies in the and with the hope of winning further penetration from the planned new Volkswagen Golf in America.

In addition, Associated Engineering has recently established a warehouse in Baltimore and is backing this up with a big sales drive led by Europeans seconded to the U.S. The idea is to build on the present £2m turnover by going for specialised sectors, such as diesel engine parts: AE's Brico subsidiary has already won important contracts with small engine manufacturers such as McCulloch and Tecumseh.

The spur to development in the U.S. is twofold. On the one hand, American cars are growing smaller, and as they do so there are opportunities for European-type technology. Recently, for example, Hardy Spicer, the GKN subsidiary, won a large £12m. a year direct export order from Chrysler U.S. for its transaxle system designed for front-wheel drive cars. At the same time, the growing interest of U.S. companies in diesel engines as a means of saving fuel in the ranges of smaller commercial vehicles has given European component manufacturers a big opportunity because they have years of experience of the systems on which these engines are based.

Lower down the scale in size, Alfred Teves, the Frankfurt-based brake manufacturer, has already started to put money into the U.S. Last week it opened a new facility at Culpeper, Virginia, with the backing of an order from Ford U.S., and a number are beginning to

Opportunities

Other component manufacturers are also becoming involved in retailing through fast-fit repair centres. Tenneco-Walker, the U.S. multinational which now owns Harco, the U.K. exhaust manufacturer, and a chain of other producers including a German operation, has now bought the Pit Stop organisation; and ITT has been setting up a similar chain, fitting brakes and shock absorbers as well, on the Continent. The effect of these moves will be to create larger, more diversified, and more internationalised companies. As they expand, it is also clear that they will be drawing together the technology base of the industry in Europe and the U.S. Component companies are being created, therefore, which measure up to the trans-Continental methods and demands of the vehicle manufacturers they serve.

This means that component importing and exporting, just as the design of cars, will become more international in its shape in future. For the component companies one of the surest ways of ensuring survival will be to manufacture on this scale, keeping the option of supply sources open, and avoiding commitment to one vehicle assembler, or national market, or product.

A growing integration

By Terry Dodsworth, Motor Industry Correspondent

The part we play in the automotive industry is very big, very small, and thousands of sizes in between.

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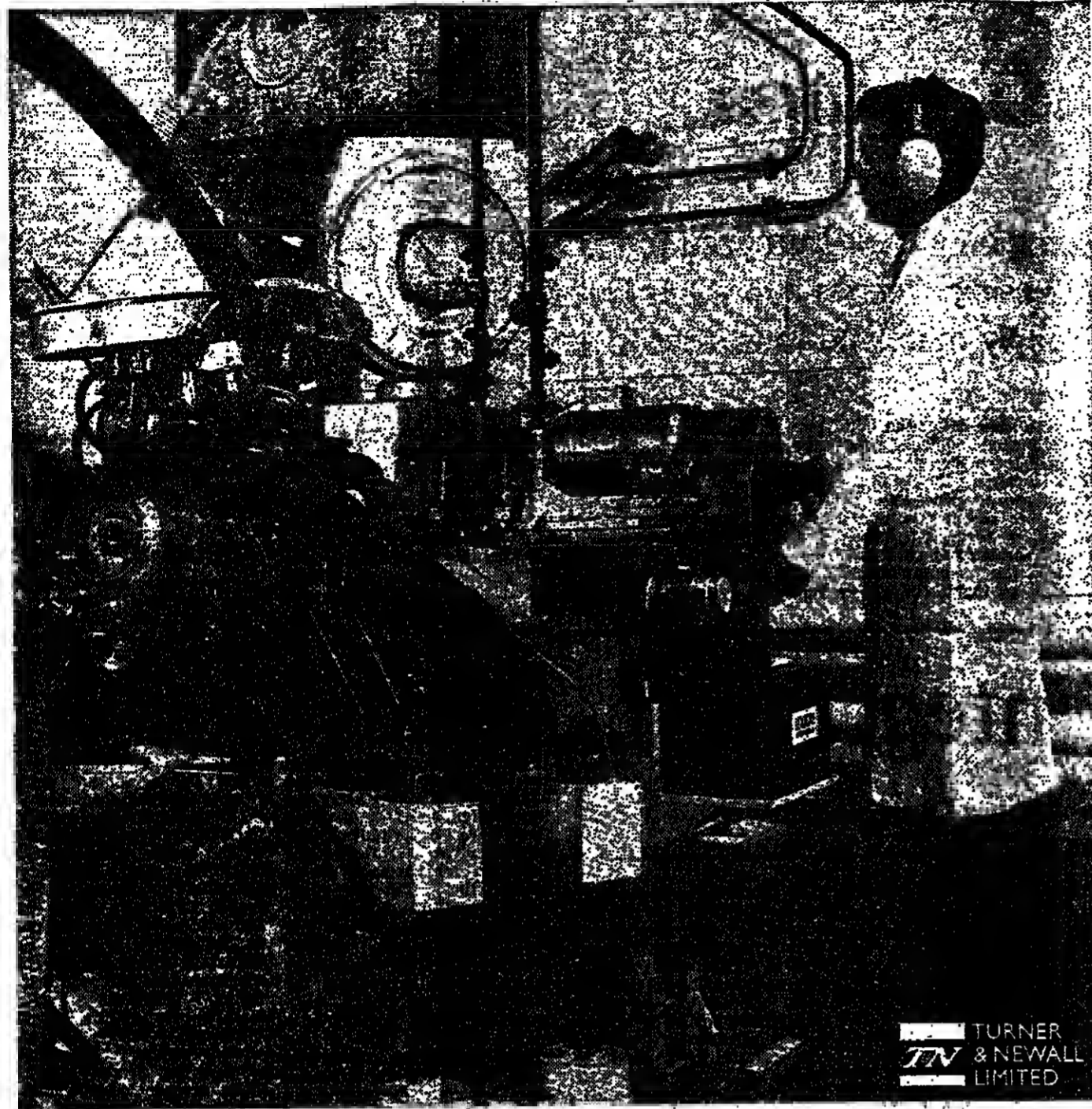
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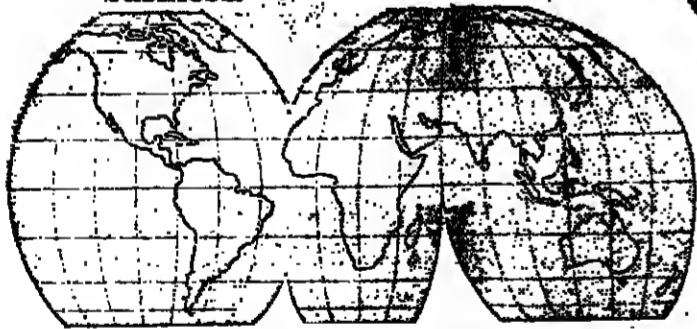
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In fact, you could say that we're onto a winner every time these days. Our vital components have been fitted to every single Formula One Grand Prix winning racing car for the last ten years.

All this gives excellent publicity for our two major brands, Lockheed and Borg & Beck. Recently, we added AP Filters too, as part of an on-going consumer marketing strategy.



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EUROPEAN VEHICLE COMPONENTS II

Electronic methods spreading fast

ELECTRONICS HAVE been slow to appear in trucks before cars, but there is resistance on cost grounds although both systems are being eliminated.

In both systems two wires run round the vehicle (three in Ecstasy) and all electrical items are linked to this "main" as is also a "logic box" which controls operations. The key to this is LSI (Large Scale Integration) which enables several thousand transistors to be fabricated on a chip of silicon a quarter of an inch square.

If a switch is depressed on the panel the logic box changes a particular code in a main sequence, repeated 1,000 times a second, which it transmits along the wire. Each electronic module responds to only one code and therefore the module to which this particular code applies will sense the code change and store this information. When it has received four consecutive similar codes, a safety precaution to prevent incorrect operation due to random voltage transients on the code wire, the module will actuate the accessory to which it is connected. If for some reason the accessory fails to function then a Fail signal is sent back along the code wire to the logic box which in turn illuminates a warning indicator on the dash.

Circuits

In addition we have fibre optics which enable a large number of electrical circuits to be run in one fine wire, rather like the coaxial cable which can carry many telephonic circuits. This was featured on some recent Jaguar models. There are also two one-wire systems carrying all the wiring functions of the vehicle through one wire, one system made by Lucas and one by Smiths Inc. Other advantages are simple three-pin trailer connection, easier installation, smaller and cheaper switches (because they pass minimal currents) and better dashboard appearance.

Another application is in digital anti-lock brake systems, which is in the field of safety, as one could also say, is the reduced exhaust pollution made possible by electronically controlled fuel supply and ignition. Yet another is in the operation of the speedometer without a mechanical drive, as in the new Rolls-Royce Silver Shadow II and some new BMW models, which eliminates the noise and other problems like broken cables and cable wind-up.

Lucas pioneered electronic ignition in Formula 1 racing cars back in the 1960s, and in 1971 the system was also fitted to the production Jaguar V12. The Leyland TR7 sports car also used the first totally self-contained electronic distributor outside the U.S. More recently this design was launched on the aftermarket and is now available to fit 13 popular British cars, with plans to extend the range. These may now be dropped as Lucas are abandoning the Opus oscillating pick-up system in favour of a magnetic (variable reluctance) system to trigger the spark.

The new system developed by Lucas will be more rugged and cheaper than the discrete components and electronic modules, which are costly and difficult to assemble. The new system uses the latest technology in integrated circuit and thick film design, which is also more compact.

Ignition

Lucas will then rationalise its electronic ignition range, as the four, six, eight and 12-cylinder systems, although basically similar, now use different methods of construction for incorporation of the electronic module. In the magnetic variable reluctance system the pick-up module is sufficiently compact to fit within the conventional distributor body of even the smallest in the Lucas range, considered an essential design parameter. But unlike Opus—the original racing car design—the power amplifier is separately housed and sited remotely from the distributor. This facilitates efficient cooling of the circuitry and gives better servicing access.

Rolls-Royce the new Rover 3500 and Triumph's TR 7 all use electronic ignition. Lucas also market a Bosch-designed electronic fuel injection system, also first used in racing. Cars first used mechanical Bosch systems before electronics arrived, but a digitally-controlled electronic fuel injection system will be with us within a year.

Digital control makes possible a degree of sophistication which cannot be achieved satisfactorily using analogue techniques, and the closer matching of fuel requirements obtained with the

Legislation

A refinement will be evolution of the quality of exhaust gas by a sensor which will feed back a signal to a computer, giving a reading of the oxygen in the exhaust and the fuel flow will further corrected by the computer in a closed-loop system to meet emission legislation.

Bosch, which continues to make its own systems, has transistors and computerised then the K Jetronic which part-mechanical, and now the Jetronic, which is a combination of the other two. Another application of electronics so far mentioned is in diagnosis where coupling up of leads with crocodile clips give readings of distributor dwell angles, rpm, advance, charging circuits and so on. A refinement of this is plug-in system which enable the mechanic to read off the various figures on a wheel apparatus which is simply plugged in to a ready-wired spot on the vehicle. The Germans lead in this field (VW, BMW, Porsche, Mercedes) critics say this method does not monitor engine/vehicle functions and is of limited use compared with the full electronic testing machines of Crysler, Sun and others.

It will obviously be some time before the mini-computer is controlling the fuel diet of the luxury car class and will move down the scale as production methods make the cheaper. In the early days motor racing (back in the 1960s) the new ignition systems were not too reliable, but it has been ironed out now as the new magic methods show to be just as dependable as the old bang-and-bounce pot which work so well until spring breaks, the fibre wears down or arcing hrid the gap.

Filing and gapping the pot should soon be a thing of the past except on older cars which will probably be hauled unless they conform to clean exhaust laws anyway.

George Bish

Saving on fuel

WEIGHT SAVING has become by far the most crucial aspect of car design in America today. In Europe, it is not such a pressing factor, if only because Governments have not legislated, as in the U.S., for companies to achieve much higher levels of miles per gallon from their car fleets. But the pressure is nevertheless being applied: as fuel prices soar, so does the need for greater running economy—and the most direct way of achieving economy is through saving weight.

There are four major ways in which car manufacturers hope to achieve these ambitions—by introducing new and lighter materials into the construction of the car; by miniaturisation of components; by better aerodynamics styling; and by reducing the friction built up between the tyres and the road surface. The application of new materials in car construction is already well advanced, with aluminium and plastics now in wide use. But in future, these materials can be expected to be applied in much greater amounts and over the whole range of vehicles, not just the more exotic models which have been able to use these products because price is not such a key element in their marketing.

Ford U.S., for example, expects to be using 6 per cent aluminium in one of its average cars by 1981 against 3 per cent today, and 7 per cent plastics against 4 per cent. Use of these two metals has gone up respectively from 2 per cent and 3 per cent since 1973. At the same time the company believes that it will be able to reduce the weight of the glass in its vehicles, and cut the use of steel from 68 per cent to-day (against 67 per cent four years ago), to 53 per cent.

The problem with using aluminium is that it is a more expensive metal than steel or cast iron, and, for some purposes, not as malleable. The technique of making aluminium lighter than the standards required by the motor industry, for instance, has not proved developed a new steel known as dingo-steel which is claimed to

adapted for some sheet metal purposes, such as boot and bonnet lids, and is expected to be introduced in the future for outer door panels as well. Rolls-Royce, for example, which makes one of the heaviest cars in the world, already uses limited amounts of aluminium in this way to cut down weight.

Aluminium is also coming in for increasing use in some of the larger components. The two most striking examples are engine blocks—where aluminium is now used universally by Renault—and wheels, a field where GKN has developed a successful manufacturing technique. Not all manufacturers are convinced that all-aluminium is the right way to go in engine blocks, partly because of cost, and partly because, particularly in the U.S., lightweight iron castings are being developed. But aluminium cylinder heads are coming into greater and greater use.

Plastics

Plastics have already become ubiquitous in the interior of the average car, either for seating, cushions, trim materials, steering wheels and fascias, or heater components and batteries. For styling purposes, designers have found plastics easier to shape, while the moulding techniques by which they are made have the added virtue of being easy to adapt to mass production techniques, as well as being generally lighter than the wood they replaced. The next step will be to use plastics for panel work—Renault has made a start on this with its new moulded bumpers, which on one of its R5 models has been expanded as a kind of skirt around the vehicle. By 1985 many cars may have door panels and roofs made from plastic.

Steel itself, by far the most important metal within a car, is undergoing a change. New configurations of sheet steel are being developed for the motor manufacturers which will be of thinner gauge and lighter than the average sheet steel of today.

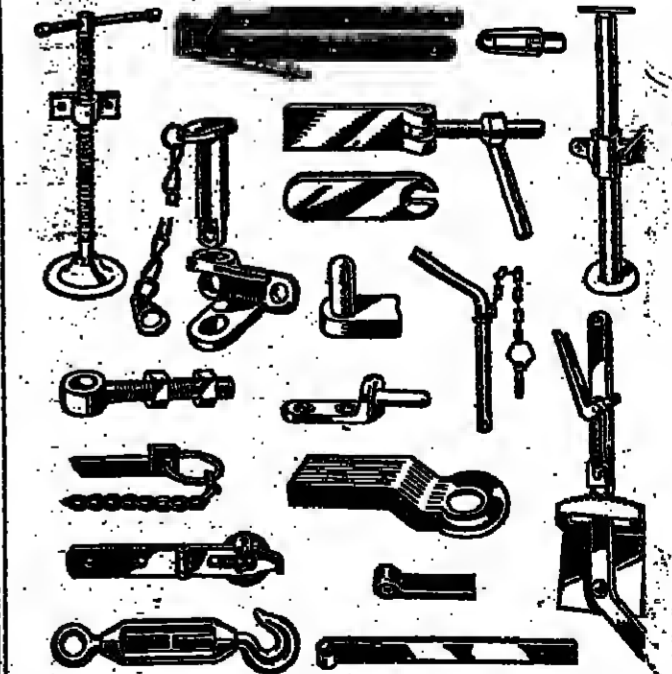
In the U.S., Chrysler has developed a new steel known as dingo-steel which is claimed to

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Major drive for overseas sales

THE KEYSTONE of the big European component companies' growth strategy in the past decade has been overseas sales. Primarily, this has been a move led by the British groups, which have seen the best prospects of expansion in markets outside the U.K. because of the stagnation in domestic sales. But the lead has also been followed by some of the Continental companies, prompted by the success of their indigenous vehicle assemblers overseas.

This drive overseas has been directed towards three major fronts. First, there has been the traditional Commonwealth and Third World markets, where component business has tended to follow the lead of the car and truck exporting activity. In Iran, for example, both Lucas and GKN have set up shop in the wake of the large contract won by the Rootes Group — now Chrysler — for its Hillman Hunter model. Similarly in Brazil, Alfred Teves, the West German brake company, has established itself alongside Volkswagen.

The second area of growth has been within Europe itself. Prompted by the declining tariff barriers of the EEC, there has been a vast increase in the interflow of components across national boundaries in the past decade. The vehicle manufacturing groups like Ford have established international buying organisations which scour the whole of Europe for the best deals, and which have generally tried to secure two different European sources for their most important component supplies. In those cases where it has been difficult, either for technical or nationalistic reasons, many companies still prefer to order within their national boundaries to export overseas subsidiaries have sprung up.

A corollary of this trend is the need to support the demand for replacement parts in car export markets. Within Europe, there is a great deal of vehicle exporting has developed across national boundaries, this has seen a particularly powerful influence, leading not only to component exports but also the establishment of overseas subsidiaries. British companies which now have a large proportion of their turnover coming from Continental business include Associated Engineering, Automotive Products, Wilmot Breedon, KEN, Lucas, and Interims of straight forward exports. Smiths Industries, Britax, the seat belt company, and Triplex, the glass and windscreen manufacturer.

Infancy

The third opportunity for the European companies is in the North American market. This trend is still in its infancy, but in the last two years or so a number of companies have shown that they have designs on the U.S. which has a vehicle market of roughly the same size as Europe itself. The Chloride Group from Britain has already established a battery manufacturing business in the U.S., and it has been followed by Perkins in diesel engines, and Alfred Teves in brakes. Lucas and GKN have buoyant profits. And it is significant that most of the U.K. companies that have moved overseas have, in the past few

European medium commercial sales, 1976

Country	Units '000
Austria	14.7
Belgium	14.1
Denmark	23.4
Finland	8.8
France	109.0
Ireland	3.1
Italy	63.2
Netherlands	20.7
Norway	6.9
Portugal	5.9
Spain	30.2
Sweden	11.1
Switzerland	8.1
Britain	81.0
W. Germany	102.6
Total	501.9

one of its U.S. licensees, Garlock Bearings, Automotive Products, which last year won a contract to supply clutches to American Motors, is also growing increasingly active in the U.S.

Most component companies believe that the international cross-flow of materials will expand within the next few years. Although nationalistic pressures are still extremely strong within many markets, and, indeed, sometimes force companies to set up a local base when this is not the most efficient method of manufacturing, the main thrust of production is towards sizeable operations serving several customers who are often based in different regions. The car manufacturers, for example, are already rationalising their own component production in this way: all of Ford's Fiesta transmissions are made at its Bordeaux plant in France.

The implication of this trend is that most markets will have to accept more imports in return for increasing their own exports. This can already be seen to be happening in the U.K., where component exports rose last year to £1.5bn from £1.1bn in 1975, while imports went up from £385 million to £551 million. Big component companies like Bosch, of Germany, have been active in the U.K. market for some time, and Teves has now won its first original equipment orders in Britain (at Ford and Chrysler) following its establishment of a plant in South Wales two years ago.

Nevertheless, Britain's balance on its component trade remains one of the healthiest in Europe, and a bright spot in the country's motor industry activities. This is partly because the U.K. has now become a low cost area in relation to the rest of Europe, and has therefore had competitively priced production, partly because it has had a sound level of technology, and partly because of the vigour with which British producers have sought to become truly multinational within the past decade. Most companies believe that establishing themselves overseas, while on the face of it threatening jobs and investment at home, tends to generate work for the domestic factories and research and development operations.

Overseas investment, in countries with stronger economies and currencies than Britain, can also help a company's balance sheet, and show up in more buoyant profits. And it is significant that most of the U.K. companies that have moved overseas have, in the past few

years, pursued vigorous investment policies in Britain itself.

By far the most substantial amount of this investment is going into diesel technology. Perkins and Cummins, manufacturing engines, CAV making diesel injection equipment, and smaller companies like Weyburn Engineering, making diesel engine parts have all had large-scale expansion schemes underway in the last 12 months. With an annual world growth rate of at least 8 per cent, a year, the diesel engine business is bound to create significant business opportunities in the next decade.

In the U.S. for example, where about 200,000 light trucks are sold every year, with only a few diesels among them, there are very healthy expansion prospects. If U.S. cars also convert to diesels in some numbers—and General Motors will soon be test marketing a diesel Oldsmobile at a reported 200,000 units a year—the demand will be difficult to meet. Already British companies are beginning to show big improvements in exports of their diesel parts.

Changes

The U.S. is also creating opportunities for European manufacturers because of the pressing changes demanded in the kind of products which have been created by the energy crisis and emission legislation. These two forces will make U.S. cars lighter, and more complex. This, in effect, means that virtually every component in a car is being systematically redesigned in order to take out metal and therefore weight.

As this programme gathers pace, the U.S. manufacturers are looking to Europe with renewed interest to see what techniques can be borrowed rather than designed from scratch. Small diesel engines is one example of an area where European expertise has developed further than in America; front-wheel drive technology is another. Some estimates sug-

gest that by the early 1980s about 25 per cent of all the cars made in the U.S. could be front-wheel drive, which means a considerable miniaturisation in U.S. components because in the past neither space nor weight have been such crucial factors in American design as ease of maintenance and smoothness of operation.

Contracts

Last year, according to figures published by the Economist Intelligence Unit, component exports to the U.S. amounted to \$4.5bn, of which \$741m. came from Japan and \$372m. from West Germany. New contracts indicate that these imports are already expanding — the last year has seen Volkswagen involvement in engine deals with both American Motors and Chrysler, while both Burman and Cam Gears of the U.K. have clinched orders for the new Chrysler L car, and Hardy Spicer, the GKN subsidiary, has won a contract to supply Chrysler U.S. with transaxles.

After the U.S. some hopes are being held out that U.K. and other European component companies will be able to develop more exports to Japan. A Japanese trading mission visited France and the U.K. recently, and made encouraging noises, but no one knows whether it will stop there. Several companies already have licensing deals with the Japanese, and some, like Britax, the BSG components subsidiary, are pushing very hard to add direct exports as well.

But the best assurance for the future will be in maintaining a strong technological base for the U.K. industry. Developments such as the new Triplex 10/70 laminated windscreen, a breakthrough in safety glass which has won laurels in its application to the new Rover 3500, are the kind of achievements which will keep Britain in healthy balance on its motor components account.

Terry Dodsworth

U.K. COMPONENT EXPORTS/IMPORTS 1976			
	1976	1975	% change
Value of exports in £m.	1,502.5	1,142.9	+31
Value of imports in £m.	557.1	385.8	+43

Fuel

CONTINUED FROM PREVIOUS PAGE

be 20 per cent lighter than the usual low carbon cold rolled plate used in the car industry. But how far the use of this metal can be extended is still speculative. Thinner sheet means more anti-rust treatment, which itself adds weight and increases costs; a similar dilemma is posed by the use of aluminium because, although this produces more economical cars, the material itself uses up much more energy than steel to produce.

The reduction of the size of components, and the use of lighter materials in this field as well, will be another area of acute interest to the vehicle assemblers in the next decade. Even in Europe, where there has been much more cause to design economically, the pressure is on to find better ways of trimming on materials. The Ford Fiesta, for example, was designed with the simplicity of its components, along with a minimum number of parts, in mind.

One short-cut in cutting down component weight will be the electronic route—substituting mechanical control and command systems with tiny computerised systems. Various instruments are already being converted to electronic control, and Smiths Industries, for example, is developing an electronic solid state instrumentation display. In steering technology, as well, designers are now switching to the rack-and-pinion method because, although this system demands fairly inflexible positioning within the overall engineering of the car, it is lighter than most rival steering devices.

The search for lighter components is also being conducted over a wide front. In America, for example, engineers are now looking very hard at European technology, particularly in the methods which have sprung out of the front-wheel-drive concept. But possibly the most significant change to-day is that all design work is now taking size and weight into account as one of the vital factors in the development of new components. As an engineer from one

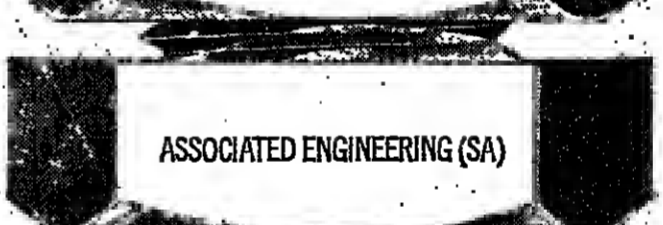
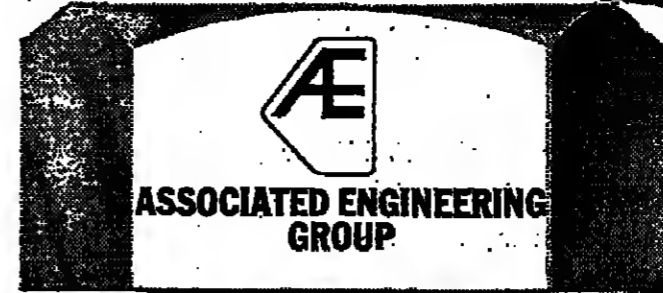
of the big car companies remarks, weight used to be a secondary factor to the functioning of the product and its contribution to the overall smoothness and quietness of a car—the emphasis of the past decade has been on ride and comfort rather than economy. Tyre technology is another area where manufacturers believe they may be able to achieve some significant fuel savings. This is through reducing what is known as "rolling resistance" between the tyres and the roads through better design, and getting the vehicle to slip through the air with less drag by the development of better aerodynamics.

Stability

Although some engineers argue that aerodynamics are more important in achieving road-going stability in a car—indeed, the safety has been a key point in aerodynamic development—many designers claim that an efficient shape can be worth at least 5 per cent on fuel consumption. This is why so many cars are now being given a droop-nosed appearance as in the Rover 3500 (which has improved petrol consumption significantly on the former model) or the Citroen CX. Even small hatchbacks like the Fiesta now have more aerodynamic shapes than the chunky forms of yesteryear.

Another design feature which is becoming more prevalent is the speed control devices which, at a flick of a switch, enable a motorist to keep a constant speed. Used widely in America, the system has been introduced in the U.K. with the Econocruse unit from Associated Engineering, and is expected to gain ground on the next generation of larger European vehicles. The idea is to save fuel by preventing the marginal, but significant, changes in speed which are wasteful of fuel, and which are unnecessary on much long-distance motorway driving.

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EUROPEAN VEHICLE COMPONENTS IV

Battery limitations

EVEN WITH the most optimistic forecasts of the ability of the internal combustion engine to solve energy problems and the most pessimistic forecasts of the development of electric vehicles, it is nevertheless clear that they will have a positive role to play for limited purposes at least. That, at any rate, appears to be a consensus view from European capitals, and one which is all the more persuasive since field trials with various types of electric vehicles have given little immediate comfort. The kind of scale local authorities, research establishments, manufacturers and others are looking at is 20 years hence, when North Sea oil begins to run out, and will in any case be extremely more costly than at present whatever the source.

The point was well put recently by Dr. Euan McEwan, vice-chairman of Joseph Lucas. "We must start now to develop the vehicles that will be needed by the year 2000," he said, bearing in mind that a major development like this normally needs a gestation period of around 20-25 years.

regenerative braking feature caused problems. The "midi" bus, on the shorter, central area route, came very close to being able to complete an eight-hour shift without recharging.

In France EDF has been promoting the development of electric vehicles for several years past and in 1973 concluded a co-operation agreement with Regie Renault. Specifications for utility vehicles have been drawn up by potential public users, and an international bid has just been launched as a result of which the first line of prototype vehicles to be manufactured is expected.

Projects include specially designed buses for operation in renovated town centres and vehicles for refuse collection. (Electric refuse vehicles have been in operation for some 30 years.) Boats for use on canals and other waterways, both for commercial and private transport, have also been designed by EDF. It believes that in

1980 7 per cent. of the total vehicle capacity in use could be electrified. It is thought that 60 per cent. of the power required would come from nuclear power stations.

In the Netherlands a 100-passenger electric bus is being designed by the departments of electrical and mechanical engineering at Delft University of Technology. With battery technology at its present stage this project is estimated to need a six-ton trailer load of batteries. There are also mixed power projects, like a battery-powered bus for town pick-up and setting-down that would link up with overhead power cables on motorways like a trolleybus. The batteries would be recharged during the journey.

In Britain the Electricity Council Research Centre is testing a converted Bedford CF van that uses a series motor with a battery-scanning controller and a Hobbs VKD

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Convinced

But while the majority of forward-thinking establishments may be convinced of the future viability of electric vehicles, the latter's role is a matter for argument and conjecture. For the foreseeable future electric vehicles are likely to have limited range, and a running time punctuated by considerable rest periods while recharging occurs.

A battery-driven passenger-carrying vehicle with traffic compatible characteristics in acceleration and speed and having a range of more than 100 miles is something very much in the future. Nevertheless, their capacity for energy saving and economical use of scarce materials gives them a place in an integrated system, perhaps particularly for commuting and inner city working. Current examples are the ubiquitous milk float and bread delivery van or the city bus with many stopping places, where there is a regular route and pattern of work.

At one end of the scale electric two-wheelers could replace mopeds. The development of a novel DC motor of disc shape that can be coupled to a wheel provokes a radical reappraisal of a drive system, for Battery driven cars could also have a part to play in households where there are two or more cars used for regular commuting or shopping. But the most effective, and certainly one of the most challenging applications, is in bus transport. Public transport operates in a programmed vehicle environment. At peak periods there are twice as many vehicles on the road as at other times, so that 50 per cent. of a fleet operates for two or three hours a day at speeds of around 10 mph. Thus the operating range is around 35 miles per tour of duty.

Two electric buses—Chloride's Silent Rider and Lucas's smaller "midi" bus—have been in operation in Manchester since the early months of 1975. Passengers like them very much, but availability was less than limited range, and a running time punctuated by considerable rest periods while recharging occurs. Major causes of failure were the controller unit in the Silent Rider and the experimental batteries in the "midi." In both the

Mixed fortunes for diesels

EVEN BEFORE the fuel crisis development of alternative engines since it was excepted to rapid development is a difficult to recover higher capital cost.

North America is now the market beckoning diesel engines and component suppliers, there is a whole range of petrol-powered equipment to be replaced. The competition do so will be intense, but in the U.K. makers—Perk Rolls-Royce, British Leyland and Gardner—and component suppliers like CAV, which is 30 per cent. of the world's largest diesel engine producer.

When fuel cost 35p a gallon, a typical diesel light truck needed to travel 18,000 miles annually to recoup the extra cost of the diesel within about two years.

But with fuel at 80p a gallon, the so-called "break-even" point drops to less than 7,000 miles. Alongside the increase in fuel costs has been the degradation in the efficiency of petrol to meet exhaust emission legislation, which is becoming increasingly severe.

Following the decline in the use of oil products in 1975 consumption has again been going up and energy costs are still rising, though at a slower rate. Trends, however, have lacked uniformity, reflecting differences in government policies.

In some countries fuel costs have actually gone down, and the picture in Europe now varies widely. In Germany, for instance, diesel costs more than petrol, while its cost advantages in Italy are around 300 per cent. In the U.K. the figure is some 3 per cent. This confusion of policies has sometimes helped, and sometimes hindered the

development of alternative prime movers. However, no viable competitor to the diesel engine is discernible on the horizon, and for the rest of the century it is certain it will remain the dominant power unit in the tractor, truck and increasingly in the light van and passenger car fields. For there seems more likelihood over the longer term of the diesel's fuel economy figures are also supported by remaining unimpaired, of continuing progress to meet environmental constraints, and perhaps above all of developing engines much less sensitive to the quality and composition of fuels.

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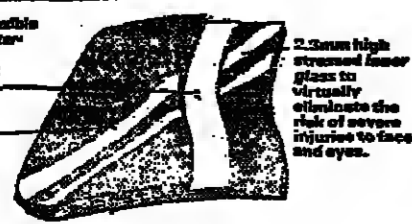
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Concern

On the other hand it is quite possible that the current concern with the protection of health, together with associated safety programmes, will result in some temporary over capacity in diesel manufacture in the next year or two. Much will depend on inflation rates, and whether sufficient finance can be found for investment in productive capacity of a kind that generates employment and a lively economy.

The diesel engine is most closely associated with tractors. In Europe it is fitted to nine out of ten of them, and the figure worldwide is nearly as high. More than half the trucks are also diesel-powered. But in North America dieselisation is only just getting under way under the spur of energy saving and the increasing cost of fuel. The cheapness of gasolines hitherto did not warrant the installation of diesel

engines since it was excepted to rapid development is a difficult to recover higher capital cost.

North America is now the market beckoning diesel engines and component suppliers, there is a whole range of petrol-powered equipment to be replaced. The competition do so will be intense, but in the U.K. makers—Perk Rolls-Royce, British Leyland and Gardner—and component suppliers like CAV, which is 30 per cent. of the world's largest diesel engine producer.

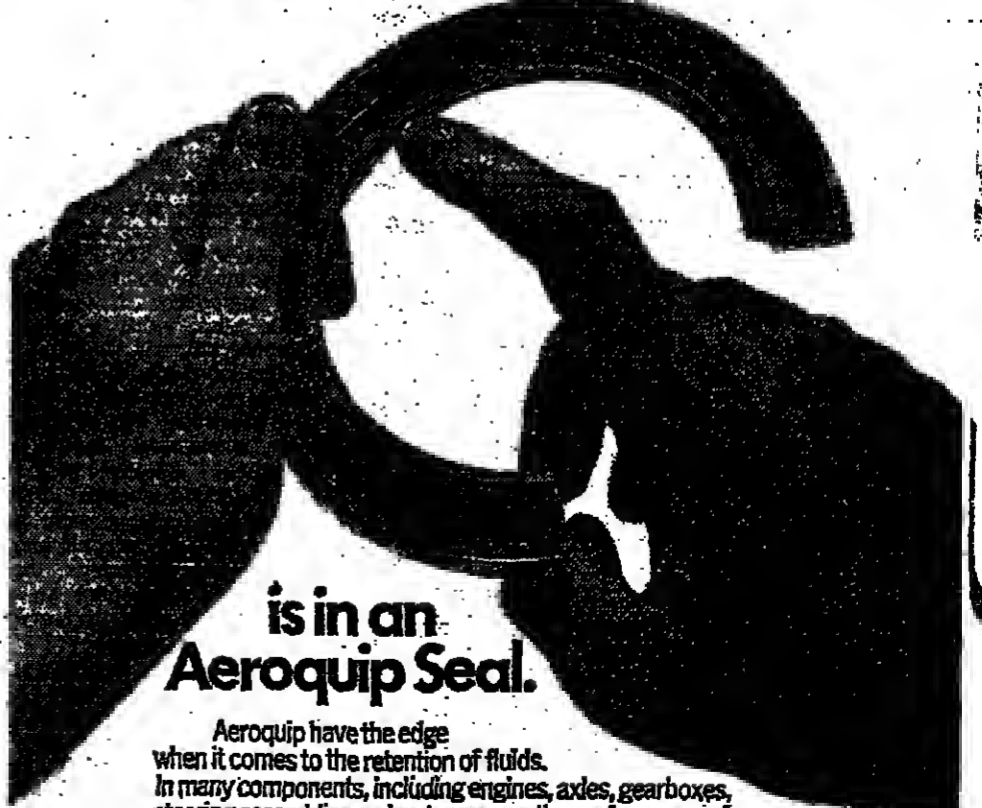
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But with fuel at 80p a gallon, the so-called "break-even" point drops to less than 7,000 miles. Alongside the increase in fuel costs has been the degradation in the efficiency of petrol to meet exhaust emission legislation, which is becoming increasingly severe.

Following the decline in the use of oil products in 1975 consumption has again been going up and energy costs are still rising, though at a slower rate. Trends, however, have lacked uniformity, reflecting differences in government policies.

In some countries fuel costs have actually gone down, and the picture in Europe now varies widely. In Germany, for instance, diesel costs more than petrol, while its cost advantages in Italy are around 300 per cent. In the U.K. the figure is some 3 per cent. This confusion of policies has sometimes helped, and sometimes hindered the

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John... file

A strong American presence

WHEREAS THE big multinational car companies put down their roots in the 1930s, the component groups only set out their worldwide expansion in earnest in the 1960s. For many of the parts suppliers moves overseas began about 1960, based mainly on their desire to keep up with the demand for replacement parts in customers. In the case of American groups, however, there was a much more deliberate policy of growth, as they sought new markets to compensate for the stagnation at home in the U.S.

still highly fragmented in the early 1960s. It was some way behind the car assemblers, who were creating larger groups in order to achieve better manufacturing economies, and were beginning to look for component operations with the necessary size both to manufacture in consistent high volume and to keep costs down.

There is little doubt that the U.S. companies have contributed a great deal to this process of achieving greater size and efficiency. IIT and TRW, for instance, are noted for the strength of their financial control systems. Although they run extremely diverse groups on a loose managerial rein—such individual manufacturing units retain a great degree of autonomy—there is general agreement that management has been tightened up by their budgeting systems.

At the same time, some of these U.S. concerns have now reached an impressive scale. Cummins and Perkins are among the largest diesel groups in Europe, while IIT's Teves subsidiary claims to be the largest independent brake manufacturer, and TRW is among the top valve producers.

Clearly size alone can give these manufacturers some advantage over competitors. But to this can be added the advantage of being able to pool research and development effort between the different activities. Both the IIT and TRW automotive companies, for example, have access to electronics expertise elsewhere in other parts of the groups, which may prove to be extremely helpful in the development of more electronic component parts.

In addition, the European automotive activities can draw on the backing of the U.S. expertise and knowledge in the same fields. All the big companies that have come into Europe have their own sizeable operations in North America, with extensive research and development facilities, and all of them have

been able to export some of their technical know-how. This flow of information basically comes in two forms. First, there is the pure product knowledge, in which American devices are taken and transferred onto European production lines. This trend has been particularly noticeable in the commercial vehicle field, where the needs and the kind of vehicles used have been much more akin in the two markets than passenger cars. Thus Cummins and the transmission companies have tended to use American designs in Europe.

Second, the American companies have brought new manufacturing know-how to their European subsidiaries. Used to producing on a larger scale, and coming from an industrial environment where production engineering is an extremely strong discipline, the U.S. concerns have proved a strong influence in revamping and modernising the industry. Within the past year, Eaton, TRW, Cummins and Tenneco-Walker have all been active in substantial investment programmes.

As a result of this disciplined approach, the U.S. has spawned far the largest group of truly multinational component companies in Europe today. These companies have entered in a determined way to build up an empire, and they have done so to balance their investments—and thereby their risk—across as many national markets as possible. Only the surprising group of U.K. manufacturers matches the pan-European methods of the American invaders.

diversity their interests are also very widely based. IIT, for example, is companies making brakes, shock absorbers, and selling fit exhausts; TRW is in the valves, chassis suspension and steering parts; Bendix makes brakes; Tenneco-Walker exhaust manufacturing and fast-fit business; Eaton, Ikel and Dana are in the heavy truck supply industry; gears, gearboxes and axles; Cummins and Massey-Ferguson (through Perkins) make diesel engines.

What is happening, on the other hand, is an accelerating trend towards European technology in the U.S. Because of the development of smaller cars in America, which will lead towards front-wheel drive and other technological devices

which have their roots in Europe, the big U.S. multinationals can be expected to use their overseas resources to respond to the needs of the American car industry. Several companies have already shown how European technology can be transported across the Atlantic. TRW, for example, has for some years been exporting rack and pinion gears made by its Cam Gears subsidiary in the U.K., for use in the Ford Pinto—and it has

now added to this with an order for Chrysler's new small "L" car. Perkins, bought by Massey-Ferguson in the 1960s, has now established a diesel engine plant in the U.S., which will aim to supply the units for the small trucks which in America are still mainly powered by petrol engines. Teves, the IIT brake manufacturing subsidiary, has also recently laid down manufacturing plant in the U.S.

Alongside these exports and investments, there will be even more mileage to be built into the steel radial tyre. In fact, it is arguable that any such attempt would be self-defeating. As it is the typical set of steel belted tyres fitted to a new car will last until that car is traded in by its original owner at 35,000 to 40,000 miles. Even longer lasting (and higher priced) tyres, though technically feasible, would appear not to make economic sense or even to be a customer requirement.

Conversely, there is much to be said for a motorist accepting a slight reduction in tread life in order to have even better wet grip than the modern radial tyre now provides. What will supersede the radial tyre as we know it today? Industry views differ. Five years ago, when Dunlop unveiled their Total Mobility tyre (since renamed the Denovo fail-safe tyre) the answer might well have been: a tyre that can be driven on for 100 miles when punctured and allows the driver to retain control after a high-speed blow-out. In those pre-energy crisis days the Total Mobility concept appeared to have everything in its favour and Dunlop confidently anticipated large and lucrative licensing deals with tyre makers in Europe and, particularly, the U.S.

That has not happened. The Denovo is still available only as optional equipment on a handful of Leyland cars and on two Fiat models, the 126 and 131 that are sold in Britain. Despite its technical brilliance, the Denovo has been commercially disappointing. There is still little sign of enthusiasm for it on the part of British car makers other than Leyland. No mainland European car manufacturer has expressed much interest in it though they accept that it takes the terror out of sudden high-speed tyre deflation and would make it possible ultimately to eliminate the spare wheel.

General Motors has turned Denovo down, at any rate in its present form, on the grounds of cost and complication which, they consider, would lead to servicing and production line fitting problems. The definitive fail-safe tyre will, they say, be one that, paradoxically, does not fail at all. It will be a tyre that never goes down rather than one that can be driven on for a limited distance after losing its inflation pressure.

That is clearly a long way off. In the meantime, all the tyre makers other than Dunlop and, to a lesser extent, Firestone, appear to be seeking ways of

breakaway with anything like the same degree of suddenness as those of a few years ago. The excellence of the steel belted tyre and its longer tread life—about twice that of a cross-ply tyre—has caused the tyre industry considerable problems. Replacement tyre sales are now a static market. Gentler driving habits due to the desire to save fuel and the stricter speed limits that followed the oil crisis, have aggravated the situation. Industry car tyre sales have only just risen above the 1973 level to reach 15m. units last year. After a forecast rise of under 0.5m. units this year, it is reckoned they will drop again to around 14m. by 1981, followed by a modest increase of perhaps 0.6m. units in 1982.

These forecasts—made by Dunlop Holdings' managing director J. Campbell Fraser at the recent National Tyre Distributors Association's convention—are based on the assumption that car maker and motorist alike will not ask for

Steel belted car tyres now account for about 75 per cent of industry sales and the proportion is expected to rise to over 80 per cent by the early 1980s. Textile belted radials are now sold mainly in the replacement market because the car makers increasingly insist on steel for original equipment. Almost without exception, today's cars are designed to make the most of the steel radial's superior dynamic properties and to suppress its only disadvantage—a tendency to ride harshly on coarse surfaces. But even this problem is much less evident in current designs of steel radial than it was only five years ago. Though it is not obvious from the outside, the construction of today's steel radial car tyre reflects intensive development of both design and material. The effect has been to preserve its very high mileage potential and its saving low rolling resistance while giving it more subtle handling characteristics. When pushed to the limit, the modern steel radial does not

Having come to terms with one revolution, the tyre industry is wondering what form the next one will take. In the last ten years the traditional cross-ply tyre, a structure which supports both sidewalls and tread, has been largely replaced by radial ply construction. Radial tyres have separate reinforcement for sidewalls and tread. The casing plies run from one side of the wheel rim to the other (that is, radially in relation to the hub) and the tread is braced by a circumferential belt.

The first radial tyres were made commercially by Michelin 30 years ago. All major tyre makers gradually followed suit, first with textile ply materials—they caused fewer production problems while they were learning how to make radials—but more recently with steel. The typical car tyre of today has a casing made from rayon, polyester or nylon and the under-tread reinforcing belts made from steel wire.

Truck tyre design moves at a much slower pace than that of car tyres because, overwhelmingly, the most important attribute of a truck tyre is that it should last for as long as possible and then yield a retreadable casing. Nearly all heavy trucks now run on radials, with both casings and belts of steel. Future developments are likely to include the lowering of profiles to about 70 per cent, height/width ratio, to reduce vehicle platform heights, allow for larger brakes and diminish steering effort. Dunlop has also proposed a system that would allow a truck with a burst tyre to drive slowly to somewhere safer than a motorway hard shoulder where the wheel could be changed.

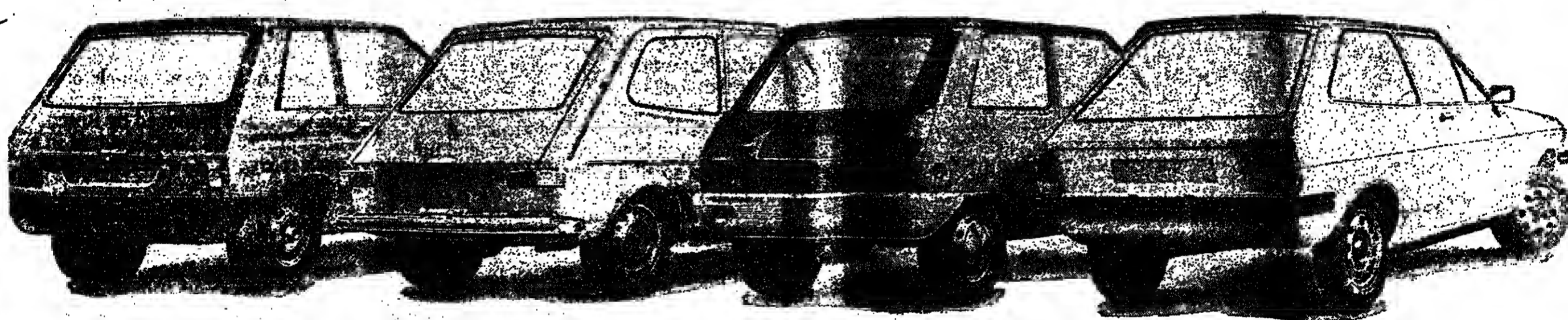
Changing patterns in tyre design

Compromise

These compromise solutions are likely to be particularly suitable for use with a new generation of ultra low-profile radial tyres such as the Pirelli P7 and Michelin TRX. Squat in shape, these tyres will become popular at first on up-market, high-performance cars, but are expected later to spread down to family saloons. They greatly increase cornering powers and improve handling without any deterioration in ride comfort. The Pirelli P7, in cross-section, half as high as it is wide, is already standard equipment on the Porsche Turbo and 928, the Fiat 131 Abarth and two Lamborghinis. Michelin's TRX is optional on the Peugeot 604 and Fiat 132 two-litre and will be seen on other cars later this year. Dunlop is known to have its own ultra low-profile tyre, but has not yet made any public announcement, probably because they want to avoid any action that might damage Denovo's prospects.

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Stuart Marshall



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EUROPEAN VEHICLE COMPONENTS VI

The Midlands has long been the traditional home of the British components manufacturers. On the next two pages PETER CARTWRIGHT looks at some of the main companies involved and how they have developed their operations in Europe.

The leading names

LUCAS

MANY PEOPLE accept as almost inevitable America's 90 per cent share of the civil aviation market. British vehicle component makers are not aiming quite so high in their field, but they are well on the way. This applies particularly to specialised products, of which Lucas Industries' Fabstrip is one of several outstanding examples. Fabstrip is a flat version of the complex car cable harness and can be run under the carpet with substantial savings in assembly times.

It is the sort of product that last year helped to take total sales to £719m. This compares with £284m in 1970, and this year the figure is expected to reach around £850m. At any rate that is what top management is pitching for in an attempt to break the £1bn mark by 1980.

Taking into account overseas manufacture of electrical components, brake equipment, diesel injection units, plus sales of aerospace products, 70 per cent of sales are generated outside Britain. Lucas includes the Girling brake interests which have 25 per cent of the European market and, together with licences, 20 per cent of the world markets outside the U.S. Its CAV division claims to be the world's largest diesel injection equipment makers, while the vehicle battery division runs neck and neck with Chloride.

As Mr. Charles Davidson, main board commercial director points out, the 50,000 U.K. employees in 130 factories help to keep the Haddenham (Bucks.) export operation busy by providing it with around 250 tons

a week of 40,000 different items. "The other half of our exports comes directly from the factories—and then we have another 40 factories in 34 countries also contributing a growing share." Lucas has a commitment to export £150m of products directly in this export year—and in the first five months we are running slightly ahead of target." Counting in direct exports via vehicles fitted with Lucas starters, lamps and other components, the export performance is considerably higher.

In Europe Lucas is reasonably happy with the way events are shaping. "The reduction in tariff rates has helped to develop business, particularly new contracts," Davidson explains. The next big target for the group is the U.S., where a bright future is predicted for the electrical division and CAV diesel injection equipment. "We are planning to multiply the present £25m turnover in North America tenfold by the early 1980s" he says.

Among the new technically advanced products that should help to boost sales is the digital fuel system that replaces the former analogue system and the group's reliance on Bosch know-how. The licence from Bosch helped Lucas through the development period, "but we have now gone beyond the analogue system," Mr. Davidson said. "Our digital system matches accurately the engine requirement at any speed or throttle opening, whereas the analogue unit takes the nearest approximation." In addition to its potential in an economy-conscious Europe, it obviously has a similar potential in America, where target miles per gallon for the "gas guzzlers" has been laid down

20 miles by 1980 and 27 miles by 1985.

GKN

GKN IS the engineering giant of the U.K. automotive component industry, and a major force in the European original equipment market. European sales last year were £250m, out of a total of £639m for this division, which yielded just over half of all GKN's profits. As Mr. Gordon Griffiths, managing director, recalling the recent £12m contract to supply drive parts for a new American front wheel drive car, points out, the strength of its technology and salesmanship is taking it into the heart of the world's biggest motor manufacturing nation. But while America and Canada may provide the highest growth potential, Sweden, Germany and France are the biggest customers.

GKN's automotive division in Europe has 15 manufacturing plants and 22 service centres,

mainly for reconditioning parts, employing a considerable number of the 35,000 employees working outside the U.K.—one in three of the overall labour force. The European work force will be supplemented by another 17,000 or so by the autumn if GKN's bid worth £32.5m for almost 75 per cent of Fichtel and Sachs, the dominant clutch makers in Germany, goes through. The result of the appeal by the Cartel Office against the judgment of the Berlin appeal court lifting its ban on the merger should be known in the next couple of months or so.

During this somewhat anxious waiting period GKN is understandably reluctant to talk about it, but a merger would obviously significantly strengthen the group's presence in Europe and take it into new areas. For while it manufactures clutches in the U.K. through Laycock Engineering, these are mainly for the agricultural equipment market. More than 80 per cent of the car clutch market is held by Automotive Products.

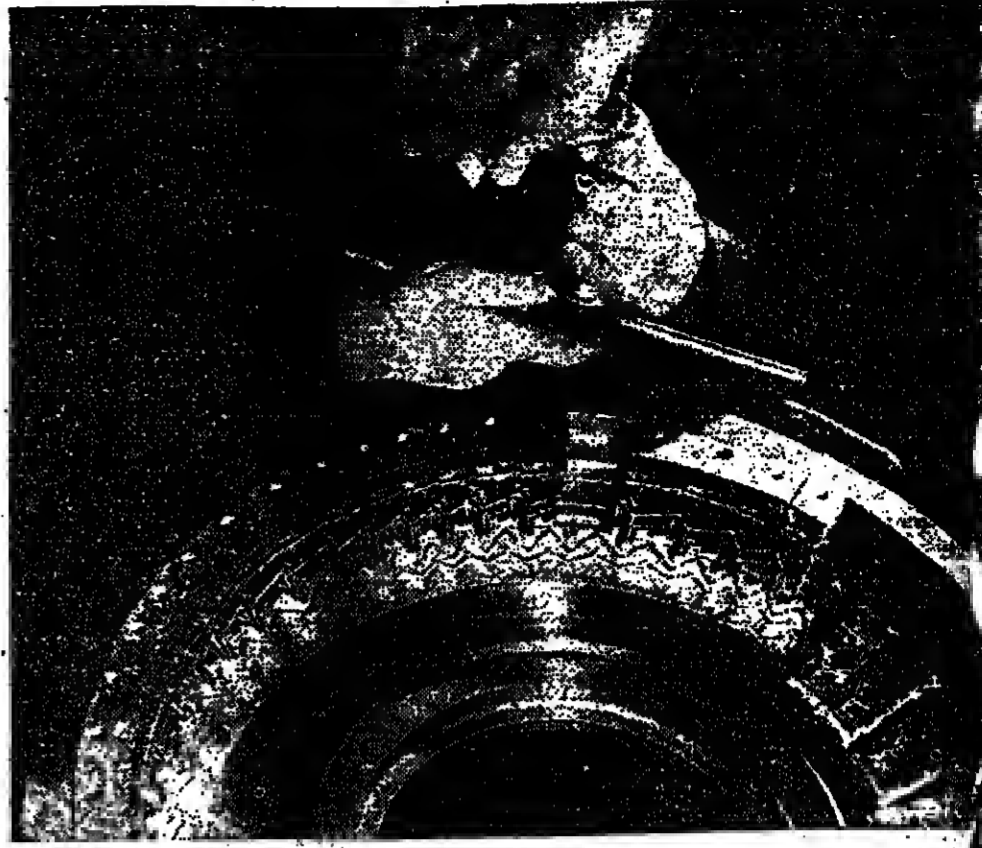
The Uni-Cardan transmission component factories in Germany and France help to make GKN the largest supplier in the world of constant velocity joints, through which the engine drives the front wheels, in fwd vehicles. This is the reason why it was successful in winning the £12m American contract.

In the U.K., too, its main product area is in transmission parts—propeller shafts for conventionally driven vehicles, power take off shafts for off the road agricultural and construction equipment, steel wheels for trucks and alloy wheels for cars, axles, bearings, truck and tractor cabs, connecting rods, crankshafts and many other forged parts.

With the European market as a whole only just over half of the U.S. vehicle parc, Mr. Griffiths sees a very well worth while expansion of GKN sales "across the board" in the next two or three years without taking into account anything Sachs might contribute. "We have been steadily building up our potential in the European market over the past three or four years and we are now at a stage where we can look forward with even greater confidence to seeing it prosper," he says.

Undoubtedly membership of the European Economic Community had helped the group—much more than has devaluation—to secure business. "But it doesn't and can't explain why for instance, we dislodged the Japanese from an important diesel component contract. The basis was a deeply imbedded technology allied to keen salesmanship and at least as good deliveries."

As Mr. Griffiths points out, it is no accident that GKN provides more commercial vehicle engineering components than anyone else in the U.K., if not in Europe. But he does not like to dwell too long on Europe. He has an acute awareness of the faster growth potential in North America, where energy (fuel) conservation legislation is driving the U.S. auto industry towards the economical front wheel drive systems now widely employed throughout Europe, and the developing markets in South America, like Brazil. "We haven't done so badly in making our mark with certain products, like constant velocity joints and crankshafts," he remarks. "The products we are working on for the past two or three years look quite interesting too."



Mould making at Dunlop's

DUNLOP

MENTION DUNLOP and the instant reaction is to think of tyres—partly no doubt because of the historical association of name with the inventor of the pneumatic tyre. When you are sitting comfortably in your car it may occur to you that the seat may be clothed in Duplo-pillo, especially if it is the new Alpine or Fiesta. It probably would not occur to you that the hose in the engine compartment, or perhaps some of the suspension components, may have come from the same stable, or that you may well be travelling on Dunlop wheels (as well as tyres). Except for the Carnaby Street end of the wheel business—those light alloy wheels with the fascinating designs—wheel makers do not publicise themselves very much.

In fact, after an arrangement with GKN-Sankyo some years ago each picked up some of the other's business to concentrate on truck wheels (GKN) or car wheels. Well, that is a good many miles on the clock ago. Nor should it be forgotten—because Le Mans enthusiasts are priding for recognition—that the famous string of wins by Jaguars in the gruelling 24-

hour race owed a crucial advantage to being equipped with Princess and the Rover—the first disc brakes. Nowadays while the 126 and 131 Fiat Dunlop just collects the like royalties.

The disc brake was a spin off from aeronautical developments and so too, was the Maxaret anti-skid system, which continues to dominate in the commercial vehicle sector and is likely to go ahead still faster as European safety legislation—and its enforcement—become more severe. As a multi-national organisation with a wide spread of activity in fields demanding sophisticated technology, the interaction of various divisions and cross fertilisation of ideas must benefit those divisions whose livelihood depends largely, if not wholly, on the automotive industry.

If structural carbon brakes of the type developed for the Concorde, for instance, became a requirement on specialist cars or trucks, the technology already exists, and this is equally true of other areas of activity. Many of the world speed record cars have been shod with Dunlop tyres, the latest technological achievement of this division (now associated with Pirelli) being the run-flat tyre. Three British cars have now dispensed with the fifth or spare wheel—the Mini 1275 G, the first disc brakes. Nowadays while the 126 and 131 Fiat Dunlop just collects the like royalties.

Looking at the future Western Europe Mr. G. Wheeler, main board director and director (tyres) reports encouraging signs in the tyre market in Europe as a whole may be improving. "Car makers are generally good volumes, but commercial markets are patchy," he says. "Wholesale in the market has offset to a degree by the 2 mileages from radials. The market could well exceed tyres for cars and 18m. This compares a still oil crisis affected 134 tyres and 15.8 truck tyre year."

As Mr. Wheeler points out there is a growing emphasis on safety that will support draft EEC regulations on performance and reliability. "The U.K. centre of tyre technology developments as the flat tyre will maintain that position," he believes.



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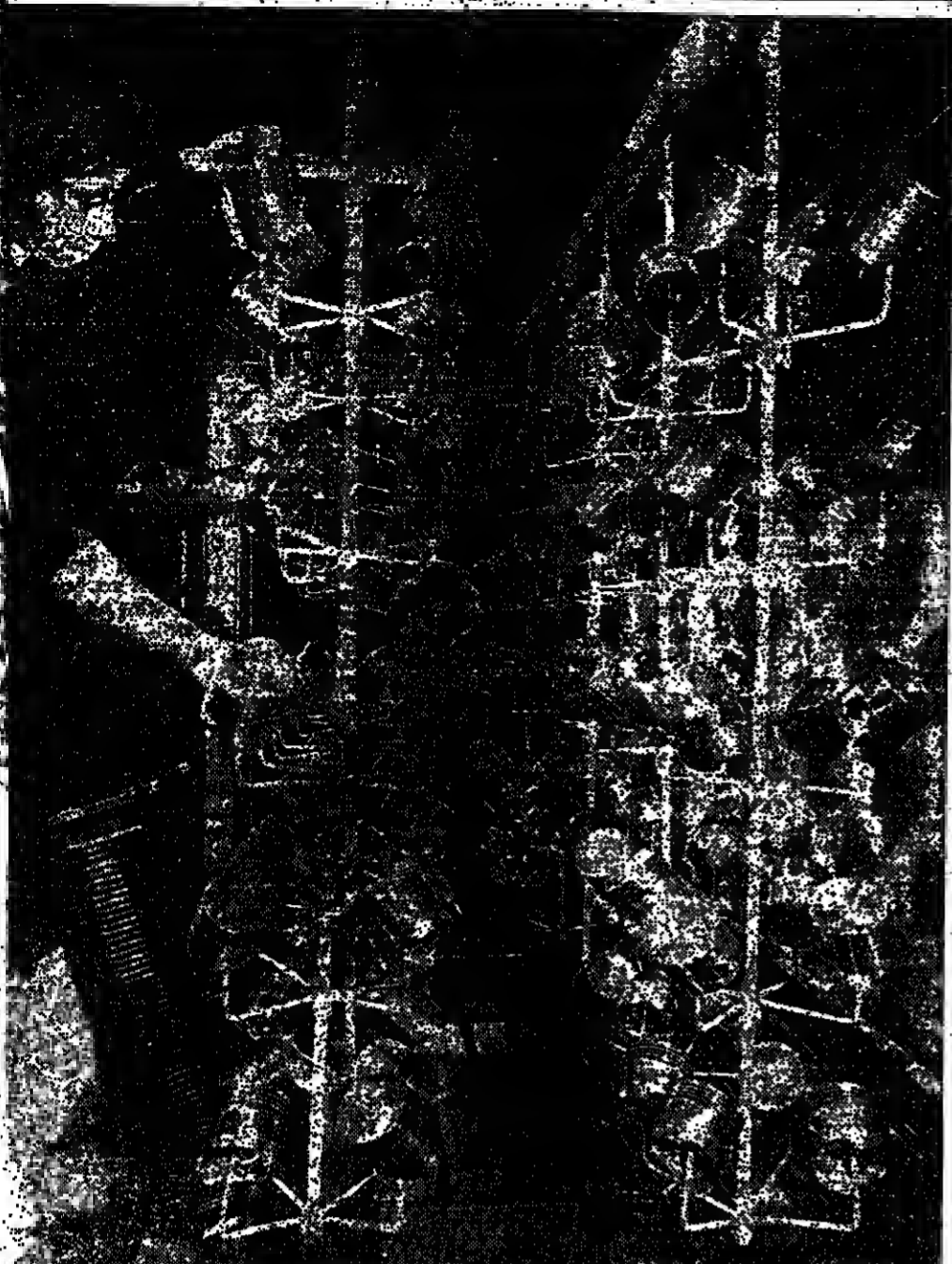
Television viewers will have seen the Olympic Games through Bosch eyes, as many of the sporting events were televised by Bosch Fernseh cameras. News and entertainment in cars can be received with Blaupunkt auto sound systems.

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BOSCH



ASSOCIATED ENGINEERING

FOR MANY suppliers the switch from petrol to diesel-powered transport influences their business quite considerably. But one of the big assets of Associated Engineering is that its range of pistons, piston rings, cylinder heads and other engine components, whether for petrol or diesel, differs mainly only in size and complexity. The technology and types of production equipment are similar.

The group is one of the most prolific engine component makers in the world. Some 40 per cent of its business, including radiators and brake shoes, is developed abroad, at some 15 per cent (around £46m.) of it directly from Britain. The groundwork for its dominant position in the European specialised market in which it operates was created in the early sixties when manufacturing plants in France and Italy were added. These supply all the major vehicle makers from Alfa Sud to Volkswagen. Two years ago the group acquired a German bearing company which it is using to expand the original equipment market.

Overall execution of an ambitious programme is in the hands of Mr. John Collyear,

Preparing pistons for lin plating at the Warwick plant of Hepworth and Grandage, a member of the Associated Engineering Group.

group managing director. He intends as far as possible to reach his objectives through direct exports, and by further expansion of overseas manufacturing interests.

The group will also be looking closely at opportunities for joint ventures, such as its growing stake in Garlock Bearings, the U.S. licensee for plastic-lined bearings for office and domestic equipment and general industrial uses. Among the 25 manufacturing licensees are Daido Metal, Japan, which has been making bearings for many years, and Nippon Piston, making slanted piston rings, a technique that the group pioneered.

Mr. Collyear sees direct exporting, expansion of overseas manufacturing and joint projects or licensing as the three main prongs of the programme to take overseas earnings, at present £100m., near to £140m. in the early 1980s. Licensing alone, he pointed out, was already yielding a useful £1m. a year.

Like Perkins Engines and CAV, which makes fuel injection units, Mr. Collyear sees the encroachment of diesel engines into the world vehicle markets — particularly in America — as one of the most promising and lucrative trends over the next decade or two.

Our already substantial presence in the market is backed by Wellworthy which, together with our research centre near Rugby, constitutes the biggest research and development facility in the Western world devoted to diesel engine components," he claims. "Our bearing division is also a noteworthy pioneer in new materials to meet the requirements of high performance diesel engines."

The group recently completed a piston ring plant and is currently spending £35m. annually on new plant and other facilities. "And this is not a once-only injection. Rather do we see the rate of investment growing." Some of this will be used to extend the product range and widen the base of suitable technology. "But," Mr. Collyear emphasises, "investment must enhance growth prospects and must always be accompanied by higher productivity if we are to reap the full potential of product development and new techniques." Like other leading component suppliers, he sees the strong demand in Europe continuing, with activity in the automotive industry worldwide possibly being at a rather higher level than general economic activity.

AUTOMOTIVE PRODUCTS

HELPING TO win the World Grand Prix championship with vital parts like brakes and clutches, while simultaneously helping the opposition to carry off the manufacturers' championship is not a bad introduction for any component supplier. Mr. John Panks, deputy chairman and chief executive of Automotive Products, talks briefly when reminded of this and says it is nice to have faith in the technology and performance of one's products publicly demonstrated in the toughest competition. He quickly goes on to discuss volume bread-and-butter business.

It just so happened that 1976 saw the group's fortunes turn strongly upwards as projects initiated several years previously began to mature, so the double in the motor racing world crowned equally hard fought battles over a much wider territory. Like other component manufacturers, Automotive Products generally has to wait for the introduction of new models before it can get its name added to the original equipment list.

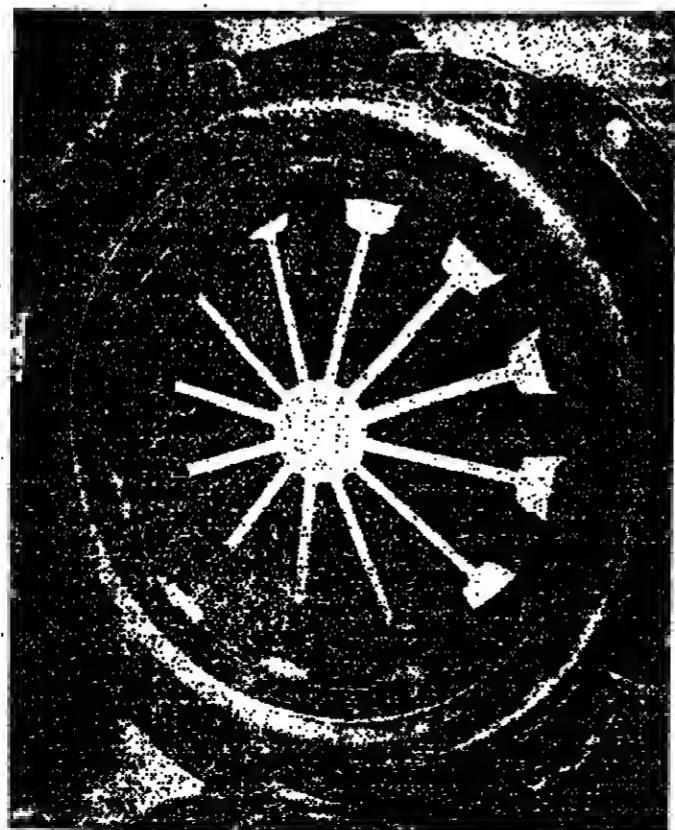
"Our brake and clutch contracts with Chrysler, Peugeot and Renault, and with Savem and Berliet on the truck side, together with a general sales drive, should increase our French business by half, and has laid the foundations for other major contracts before the end of the year," Mr. Panks said. Overall, AP's crucial breakthrough in EEC markets last year should help to accelerate exports to them by 70 per cent and take direct exports from the Leamington-based group to nearly a third of original equipment production.

Individual products have been designed specifically to suit each customer's requirements and are backed by substantial investment in special-purpose machinery and equipment. Some of the units for the French contracts, for instance, are produced on automated lines at the rate of around 10,000 a day and assembled in clean room conditions which required an investment of £2m. In Germany sales to truck makers are well on the way to doubling. When criticism of quality control in British factories, and especially in the automotive industry, is widely voiced, AP can point to the fact that it was one of the first — in 1975 — to win approval for its standards under the tough Defence Standard 05-21.

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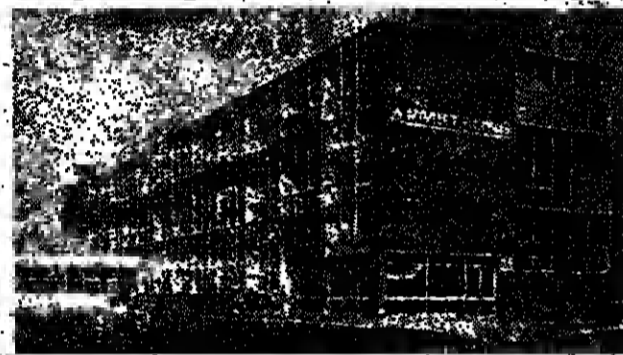
This combination of technological innovation to help stabilise prices and maintain product competitiveness, supported by high production and keen marketing are the keys that will open more doors in export markets, Mr. Panks believes. "In our industry there is no easy way to get business. You have to go out and knock on doors, as far away as Japan. And you have to support this with sound engineering and production techniques." But he warned that AP's exports would be adversely affected competitively if the current rate of inflation continued. "All the same, the company is pressing on with investment averaging some £3m. a year to improve existing and create new products, and the policies being pursued in the original equipment and parts sectors should enable the group to expand and finance its operations in the foreseeable future.

In practical terms, for instance, this has resulted in a new clutch design reducing the number of components from 23 to four. This is saving 27 per cent in materials and quickening assembly times. The group has also kept well abreast of the changing replacement market and the trend to specialist functions. The parts division at Banbury ships 300 tons a day to 182 countries. In Britain there is now a chain of 50 service centres which concentrate on servicing or replacing the main safety components, while another branch caters for up to 150 imported models, which now account for about one in five of the car population.



The new DST clutch from Automotive Products

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MEMORANDUM



The Technical Director
opies to: The Managing Director : The Financial Director
Subject: THE LAYSTALL SILICON CARBIDE PROCESS
is patented process developed in close collaboration with the Ministry of Defence has proven over the last eight years that the rate of wear experienced with internal combustion engine cylinder bores can be drastically reduced.

ably, the process entails impregnating the bore surface with silicon carbide particles by mechanical means, similar to that used when honing under blocks in the normal manner. After impregnation, the surface is lapped and polished to provide a finish consisting of grooves formed in a cross hatch pattern for good lubricating oil retention and a high percentage of flat plateaux on which the piston rings may run. e to the extreme hardness of silicon carbide, processed cylinder bores or liners have been found to enjoy a greatly increased service life. Without creating other disadvantages. Certainly, the life expectancy for blocks or liners manufactured from or treated with conventional materials, including chrome. This process has been applied to steel, cast iron and aluminium blocks/liners, very successfully. It is a standard feature of Chieftain Tank engines currently being produced.

at British diesel and petrol engine manufacturers are presently trying out evaluation trials and it is believed that within a short time, the process will be used on a production basis by many of the leading engine manufacturers.

economics are very attractive; for example, the cost is about one third of that to chromium plate and in the case of dry lined engines, cylinder block may be impregnated directly and so overcome the need for fitting liners with a significant cost saving.

process is, of course, equally applicable to many other products where rate of wear is a problem.

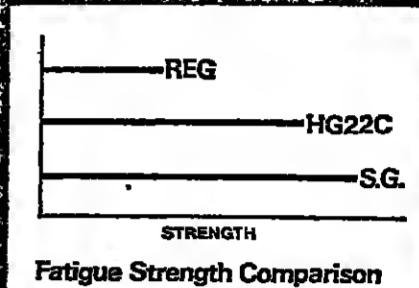
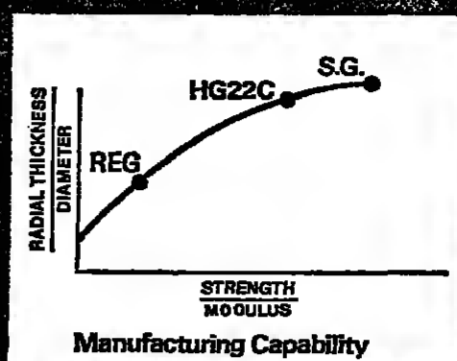
company is already well-known in the diesel engine field for the production of Coronet Cylinder Liners, Crankshafts, etc....

further information contact:

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1000 Street, Wolverhampton WV2 2BU
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EUROPEAN VEHICLE COMPONENTS VIII

Replacement market

THE VEHICLE replacement market has always offered a tempting market for "pirates" offering non-genuine replacement parts and probably always will. In the U.K. there have been plenty of them and some are still about. Until the polypropylene battery container came along to foil backyard operators using discarded cases to revamp into cut-price products, the second-hand battery market was a prolific area for this type of enterprise. Others made or marketed more sophisticated engineering components and in the course of time became "honest" and were accepted as suppliers of original equipment.

The growing volume of legislation dealing with transport safety and product liability has been a deterrent to anyone thinking of entering the market, although it must be admitted that the increasing cost of servicing and replacement work has given a substantial fillip to the Do-It-Yourself movement and the search for cheap products. Nowadays a lot of the so-called pirating emanates from some of the newer vehicle manufacturing countries like South Korea and Spain, especially in sales to developing countries where legislation is apt to be vestigial.

This aspect of the replacement, or after market, has been a powerful influence on major component suppliers to take defensive action by enlarging their service facilities. The growth in the market has likewise been accompanied by an "all makes" approach by which major component makers supply other fast moving lines like silencers, brake pads, fan belts and so forth, to maximise the turnover of European or worldwide service organisations.

Another strand of this complex after market fabric is the expanding structure of manufacturing largely resulting from successful original equipment business with European vehicle makers to supplement or replace direct exports from U.K. factories. Indeed, the presence of so many British or joint venture plants on the Continent, where the tendency to source component supplies internally within vehicle groups, has proceeded and facilitated trans-national vehicle manufacture of the kind operated by Ford and General Motors (Vauxhall/Opel).

It has also taken leading suppliers directly into the imported car after market. Most European makes, from Alfa Sud in Italy to Volvo in Sweden and Volkswagen in West Germany contain components from U.K. suppliers sourced either in the U.K. or from factories on the Continent. One in four or five cars are "foreigners" and this proportion is expected to grow to one in three. Most of those already here are beginning to come up for their MoT test or otherwise need more comprehensive servicing, and it is no insuperable task for a major supplier to span the 150 or so imported models with a selected range of replacement parts.

Decision

Nor have the vehicle manufacturers been slow to move down market. This is a movement stimulated by the decision of some of the big American oil corporations, like Gulf and Western, to expand their after market sales, especially on the filling station forecourts. In this country Shell was one of the first to exploit the possibilities.

Nor have the opportunities been overlooked by the car makers in the U.K. They have followed the front runners by establishing their own comprehensive range of spares in addition to servicing distributors and garages with their own replacements. Chrysler's Mopar and Leyland's Unipart schemes were among the first and when British Leyland later came along with BUTEC, based on the bus and truck electrical component organisation, it brought howls of protest in some quarters on the score of "unfair" competition.

Identification of who does what in the High Streets, at the spares trade counters and on the forecourts is not always easy for the uninitiated. A. E. Edmunds Walker is a well-known name in the trade. Its parent is Associated Engineering, the world's largest independent supplier of engine components like pistons, piston rings and bearings. But these are marketed through AE Auto Parts. Other components from the group, and those bought in tend to be marketed through Edmunds Walker. Altogether the group controls a substantial number of outlets at the second

stage, having chains in Austria, Canada, Sweden, Portugal and Singapore.

It is a vast and growing market. Including Britain, the European vehicle population is estimated to be around 108m. and growing at around 6 per cent a year. The value of the after market, including accessories, can be no more than a guess, for it has never been accurately quantified. It is no easier to guess what it is even in Britain.

No two people agree on what is a replacement part and what is an accessory, for the dividing line is often blurred. Some vehicle manufacturers fit two door mirrors as standard, for instance, and others none, calling them accessories instead. Expert estimates put the U.K. after market as high as about £1bn. but this seems optimistic to others, who think it is nearer half that, and put the European figure at £1bn. to £1.5bn. though this may be too low.

One of the more reliable figures is that exports of parts for vehicles last year were £1.6bn. and that these exports have been growing apace over the past several years. Indeed, the export achievements of the component makers rescued the car sector from an adverse balance. They also demonstrate the excellence of the British marketing strategy and general performance. In a sense, the component suppliers have taken over from the vehicle makers.

Specialist

After the war the parts market belonged almost exclusively to the vehicle producers. "But," Ford admits, "none of us appreciated it and we let it go." Now they are trying to get it back, but they face growing competition. As already indicated, the component makers have been expanding their capacity and facilities rapidly, and were among the first to offer an all-makes range, and to get into the High Streets and discount stores as well as acquiring specialist service activities. Burmah Oil, for instance, bought Quinton Hazell one of the biggest independent replacement parts maker, whose policy was never to exceed 10 per cent in original equipment, and which had a good export record.

Lucas, the electrical giant, added in-car entertainment, fan belts, and other fast-moving items to its forecourt and service depots business. Automotive Products, in key safety areas of production with brakes, clutches, silencers and steering components, now has a chain of 50 service depots, and its export business is illustrated by the 300 tons of products shipped daily through its Banbury parts establishment. The pace has been a hot one and the pursuit equally fast.

Ford of Europe was early in the field and has just celebrated the tenth anniversary of its formulation. Its European operations are co-ordinated from Ford Cologne, and grew out of less ambitious parts organisations.

While the U.K. company still buys out selected items like shock absorbers, it has significantly reduced dependence on outside sources by manufacturing spark plugs, carburettors, radiators and other items. It foresees the probability of a diminishing range of replacements being required because of improving quality. This factor has extended engine life to up to 70,000 miles without a major overhaul, will be likely to stretch it further to near 100,000; other parts like axles will similarly last longer.

Moresover, the trend to fit as standard items like radios formerly regarded as extras, and legislation providing for seat-belts will also reduce the number of optional items. On the other hand there will be some new products, of which air-conditioning for small cars is likely to be one. Nevertheless, Ford believes that by 1987 and with a vehicle population in Europe of nearly 123m, the market will have grown to \$88.7bn., including nearly \$8bn. of Ford-only products.

When SU-BUTEC was formed some 12 months ago following a recommendation of the Ryder Committee on the future operations of British Leyland it was met with a considerable and vocal opposition from the component industry, which saw part of its livelihood being snatched from it by the State-owned giant. In fact it has not turned out quite like that.

component suppliers in order to provide an all-makes range—though it has still some way to go to match Ford's ability to service over 90 per cent of all European-produced vehicles.

This selling of each other's products, and selling branded products made by rivals—rather like the supermarkets—has been one of the phenomena in the development of the market, and underlines the degree to which competition has advanced.

After market operations are among the most highly sophisticated, complex—and lucrative—in the vehicle industry. The expertise which U.K. manufacturers have been able to bring to bear has served them well in the European and other markets. The trans-national producers like Ford, General Motors and Chrysler provide an all-makes range—Associated Engineering and other major companies components suppliers, given them the bases which to enlarge their of individual markets. BUTEC is following them Europe with the first depots in Holland.

Most of the market growing again, with Ge having more disposable income per head and less inclination for DIY work, but other countries (including the U.S.) fall this trend strongly. By recent component trade at Geneva showed clearly European manufacturers made great efforts to cat on their marketing—and quality is very good.

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John P. ...

BY CHRISTIAN TYLER

The law and the unions

THE DAILY struggle between trade union and non-union members, rose to national prominence in another postal blocking case when in January the Post Office Engineering Union forced the UPEW and the Post Office Engineering Union to call off a week-long planned boycott of South African mail and operator-dialled telephone calls.

Appeals arising out of that case involving not only the NAFF and the two unions but also Mr. Sam Silkin, the Attorney-General, are at present being heard by the House of Lords. In the Grunwick case, the Attorney-General has said he will not institute proceedings against the Cricklewood postal workers, but that individuals may do so if they wish. (The UPW incidentally, has said the Cricklewood men should work normally.)

Inducements

Meanwhile, APEX is thinking of taking action against Mr. Ward for allegations he has made about alleged inducements by pickets to his workers to remain on strike.

The British Legal Association, representing solicitors, has complained to the Prime Minister that he is permitting the "break-down of law and order, and it has also attacked members of the Haldane Society of Socialist Lawyers for joining the Grunwick picket line.

Lastly, police are prosecuting around 200 people, mainly for obstruction but some for assault and other alleged offences on the picket line, and have arrested some striking relations. Scotland Yard, in turn, is investigating allegations of police brutality.

The three big legal issues in this imbroglio are picketing law, trade union recognition law, and "the right to strike."

For the present it is the law—or lack of it—on picketing that is chiefly exercising the minds of the Home Secretary, the Attorney-General, the unions and the police.

The law goes back to 1906, but its latest definition is contained in the 1974 Trade Union and Labour Relations Act. This says in section 15 that it is lawful for one or more people "in contemplation or furtherance of a trade dispute" to attend a place where another person works or happens to be—provided it is not his house—"for the purpose only of peacefully obtaining or communicating information, or peacefully persuading any person to work or abstain from working."

If the picketing is not peaceful, then charges of trespass, obstruction, intimidation or conspiracy can be brought.

Grunwick has brought up two difficult picketing questions: how many people can picket a gate before peaceful persuasion becomes intimidation? And should the pickets be allowed to stop the bus which daily delivers the non-striking workers so that the pickets can engage in peaceful communication?

The police have tried at times to limit the number on the Grunwick factory gate in Chapter Road, Willesden, to around half a dozen, and according to the TUC that policy will be the policy of the police in many parts of the country. The TUC says there is nothing in the law about numbers or about who can picket. It is up to the police and pickets to work something out if they can—which they usually do. The Home Office says the police have discretion to limit numbers and may decide in advance what the number should be. It quotes *Piddington v Bates*, a judgement from 1960, which established that the law on picketing did not confer immunity from charges like obstruction.

As for stopping vehicles, the most-quoted precedent is *Hunt v Broomfield* (1973), a case involving a union official who stood in front of a lorry in Stockport.

That case went to the House of Lords which upheld an appeal Court ruling by the Lord Chief Justice, Lord Widgery, that pickets were breaking the law if they physically obstructed people or vehicles to try and stop them crossing the picket line. Peaceful persuasion had to be oral or visual, or, as the Lord Chief Justice explained, "the use of the voice or the exhibition of placards."

The TUC and some Labour MPs have tried and failed in the past to create some positive rather than negative rights for pickets. At the moment the TUC is mainly interested in winning a right to stop vehicles. It is wary of general legal codification: its recent experience has been that specific statutory protection in such cases often rebounds on the unions themselves.

Much of its anger in the past has been directed against related conspiracy laws. This came to a head with the falling of the "Shrewsbury Two," Des Warren and Eric Tomlinson, on conspiracy charges in the wake of the 1972 building strikes.

Now the TUC is trying to secure changes in the Criminal Law Bill mainly on the grounds that its provisions on conspiracy and trespass will limit picketing, sit-ins or work-ins. It says the Bill would mean, for example, that a worker who refused to obey a writ of trespass served on him can immediately be declared to have committed a criminal offence and can be arrested on the spot.

The law on picketing has been tested many times and

many times found wanting by those on both sides of the factory gate.

By contrast the law on union recognition is virtually untested—indeed, Grunwick could set important precedents. The procedure, involving ACAS and ultimately the one-year-old Central Arbitration Committee (CAC), is set out in the Employment Protection Act of 1975.

It is extremely doubtful whether the CAC can, at the end of the drawn-out procedure, actually enforce recognition. Following a recommendation by ACAS for recognition, it can make a declaration that an employer is or is not recognising a union, or entering negotiations with the union. Then it can award on the basis of a claim by the union. That award would become part of the individual employee's contract of employment, enforceable through the civil courts. But experts do not think it probable that the CAC could include in that award to each individual the right to union representation even for himself. It would certainly be odd to try to enforce collectively bargaining by making a number of union representation awards to individuals.

Ultimately therefore, the employer who is determined to prevent a union negotiating on behalf of his workers appears to face only one sanction. He may, on pain of damages awarded by a court, have to increase their wages.

But Mr. Ward of Grunwick, if he is ever brought that far, Mr. Clive Jenkins's Association that all union members further down the line, by taking ACAS to court. The hearing is expected at the end of July, the Legal and General Assurance



Left-wing Labour MPs Miss Joan Maynard (right) and Mr. Ian Mikardo (second right) join the Grunwick picket yesterday. Later in the day a colleague, Mrs. Audrey Wise, was arrested and charged with obstruction.

and the main complaint is that ACAS has acted ultra vires. Grunwick alleges first, that ACAS should not have included in its survey of opinion the views of the workers on strike because, simply, they had by then been sacked and were no longer "workers." Secondly, it says that the survey was not a survey but a ballot and that the conduct of the ballot did not meet the requirements of the Act (section 14). Third, it complains that the only views taken were those of people whose names and addresses were supplied by the union, APEX.

ACAS said in its report on Grunwick in March that it felt bound to make a recommendation even though it could only secure the views of a third of the workers—in fact, mainly the strikers who had joined APEX after walking out. The company, it said, would not cooperate in a survey of the rest. So ACAS decided to recommend APEX to bargain collectively for all the weekly-paid workers at its two factories in Willesden, adding, rather plaintively, "this issue has had a most difficult and unfortunate history in certain respects."

The other question, whether ACAS was conducting a survey or ballot, is more difficult. ACAS has already—in the first case to be brought against it—been reprimanded by the High Court. That case was brought by Mr. Geoffrey Powley, chairman of the Legal and General staff association, and ended with a ruling at the end of April that it should withdraw a questionnaire which did not mention that all union members must actually join the union for recognition.

Lastly, the Grunwick affair has now twice raised the question of postmen's rights to take industrial action in the face of a statute which makes it a criminal offence willfully to detain or delay the mail. It is therefore inextricably bound up with the appeal to the House of Lords in the South Africa case, whose main burden appears to be the right of individuals to go to court to stop an impending breach of the law even if the Attorney-General as "guardian of the public interest" has refused to be a party to the action.

Supporters of the TUC, the two Post Office unions are arguing not merely that they are, uniquely, subject to a statute—the 1953 Post Office Act—preventing industrial action, but that the immunity of unions generally under the Trade Union and Labour Relations Act has been eroded. They say that the Court of Appeal's decision in January means that citizens, whether likely to suffer personally from the effect of intended industrial action or not, can block industrial action by seeking injunctions which declare the action to be either criminal or unlawful.

One sanction

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Discretion

ACAS has considerable discretion. The Act does not tell ACAS how many workers must be members of a union or how many are willing to be members of a union before ACAS can recommend recognition.

But it should be pointed out that a recommendation like this from ACAS does not mean that all union members must actually join the union for recognition.

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Letters to the Editor

Accounting and Inflation
Mr. J. Clayton.
Inflation is the norm price-stability the exception the reluctance of Mr. ... (June 16) and other untamts to accept the urgent to change-over to current accounting is probably due to the historical freak that the dilemma of profession laid during a unique period of falling prices.

Without disputing the fact that brand new offices and factories are both necessary and desirable it is to be hoped that in locating these buildings due regard will be paid to the sites upon which they are erected. Travelling about the countryside the peripheral development around our towns and villages must be apparent to all. This development occurs in most instances at the expense of good agricultural land and in stating that we are losing about 70,000 acres every year for industrial, housing and other uses, one is forced to realise that this loss of land can never be reclaimed for food production. To put it another way, the loss of agricultural land for other purposes equals the end of world war two equals two counties the size of my "adopted" Somerset.

To-day's Events

- Prime Minister chairs special meeting of senior Cabinet members, employers and trade union officials to review progress of Government's industrial strategy.
- Labour Party national executive committee meets.
- TUC General Council meets.
- Ministerial meeting in Oslo of the commonwealth of nations with North Sea oil interests, including U.K. discusses lessons learned from Ekofisk blow-out.
- The Queen and Duke of Edinburgh pay Jubilee visits to Harlech, Llandudno and Bangor.
- Widearea public inquiry continues, Whitehaven.
- Mr. Clive Jenkins, general secretary, Association of Scientific, Technical and Managerial Staffs, speaks at conference on executive pay, Cafe Royal, W.1.
- Mr. John Gouret, director, National Association for Freedom, speaks on "Patriotism, St. Lawrence Jewry next Guildhall, E.C.2, 1.15 p.m.
- Confederation of Shipbuilding and Engineering Unions, conference continues, Scarborough.
- Royal Commonwealth Society and Innovation in Japanese year, Marlborough Avenue, W.2.
- PARLIAMENTARY BUSINESS
- House of Commons: Price Commission Bill, completion of remaining stages. Proceedings on Restrictive Trade Practices Bill, House of Lords: Debate on needs of disruptive children and young persons.
- Select Committees: Expenditure (Trade and Industry sub-committee). Subject: The Fishing Industry. Witnesses: Directors of fisheries research laboratories (10.15 a.m., room 18).
- Science and Technology (Japan sub-committee). Subject: Research in Japanese year. ALK Electric Holdings science-based industry. Witnesses: British Steel Corporation (10.20 a.m., room 15).
- Nationalised Industries (sub-committee). Subject: Research Unit Authority.
- Witnesses: Thomas Water Authority (4.15 p.m., room 8), Overseas Development Subject: Trade Policy and Aid Policy. Witnesses: Department of Industry (4.15 p.m., room 6).
- OFFICIAL STATISTICS
- Gross domestic product (first quarter, provisional). New vehicle registrations (May).
- COMPANY RESULTS
- Brown and Forster (full year). Lankro Chemicals Group (full year). F. H. Lloyd Holdings (full year). Lowe and Brydone (full year). Munstfield Brewery (full year). ALK Electric Holdings science-based industry. Witnesses: Tesco Stores (Holdings) (full year). Tunnel Holdings (full year).
- COMPANY MEETINGS
- See page 38.

Membership of unions at IBM
From Mr. P. Handover.
Sir,— Assuming that the remarks of Clive Jenkins about the Advisory Conciliation and Arbitration Service of IBM employees as reported (June 13) were correct, I believe that some reply is necessary.

His comments about the ballot being contaminated, the implications of employer intimidation, like a "horror in a prison camp" are absolute rubbish. I know that IBM employees, of which I am one, and all others that know the company will see Mr. Jenkins's remarks as sour grapes.

But to those who feel that Mr. Jenkins has not done proper comment on the ACAS survey let me speak as an individual. Yes there were meetings and film shows to ensure that those interested understood all aspects of the survey. I remember much of the material covered the union's case to show if any aspect could improve the lot of an IBM employee.

Yes we were expected to attend as we are for all employee meetings. But compelled, no, I had to attend because of my business pressures and no pressure was put on me as a result.

No, there was absolutely no bias, pressure, intimidation or whatever and if it wouldn't have been such a confronting waste of time I would like to see another ballot to show that 12,420 (95.6 per cent.) of my colleagues agree with me.

May I dare to suggest that if ASTMS, AUEW and others are so keen to uphold the rights of the individual and democratic representation within large organisations they may like to look a little closer to home.

Paul Handover, 10, West Street, Tollymore, Essex.

Action in Africa
From Mr. F. McDonald.
Sir,— I refer to Mr. Joe Rogaly's article "Rhodesia: Why Mr. Kaunda is right" in your issue of June 14.

Mr. Rogaly's elevation of "One Man—One Vote" into a governing moral principle (he has written in this way before) leads him to recommend courses of action that will help some very amoral people.

When Mr. Macmillan spoke of the wind of change, and when Mr. Smith declared UDI, the whites in southern Africa were already free to face with black nationalism. They hoped they might be allowed to work out ways of living with it. They are still facing it, and are still hopeful.

They thought then that active fanning of the wind by the west, and active support by the west for those forces in black nationalism which are destructive, would cease when it became clear to the west (as it was always clear to them) that, if the west moved out, the Soviets would move in. That is happening now. When it becomes clear to Mr. Kissinger, he made a belated effort to call a halt. But Mr. Carter, in his ignorance of African affairs, approves, as does his Mr. Young. And Mr. Rogaly thinks they are right.

I question whether a course of action which means actively helping your enemies to destroy your friends can be based on sound morality. If Mr. Rogaly thinks that what happened in Angola and in Mozambique ought to be repeated in Rhodesia because in that country the blacks outnumber the whites, he should say so, and not persuade himself he thinks that way because his morals are superior to Mr. Smith's or Mr. Vorster's.

F. G. McDonald, 49, Kelsey Lane, Beckenham, Kent.

Record £94 million Exports Spearhead Plessey Recovery

The results for the year ended 31 March 1977 confirm a continuation of the rising trend achieved during the year. The pre-tax profit for the fourth quarter of £11.6 million compares with £7.7 million for the same quarter of the previous year. At £39.6 million, pre-tax profit for the year compares with £34.7 million in 1975/76. In respect of the financial year 1976/77, dividends, including the final payment recommended, will amount to 4.94 pence per share. This is the maximum permitted under current legislation, and compares with 4.4 pence per share paid in the previous year.

The key features are—

- Profit growth of approximately 20% over the previous year in each of the last three quarters.
- The cumulative effects of Post Office cuts adversely affected the results, so that profit growth was the result of increased activity in the rest of the Group, particularly overseas.
- About 50% of world-wide sales came from international business, either by our operations outside the UK or by direct exports from the UK.
- Export sales achieved a new record at £94 million, an increase of 36%.
- Overseas business contributed 56% of profit in the fourth quarter, and 45% for the year.
- The total order book stands at a record level of £600 million; of which £311 million concerns the Group's overseas business, including £167 million for UK exports.
- A significant change in the product mix, with greater emphasis on the expanding area of electronic systems and equipment.

For the year, sales at £569 million have increased by 16% and profits before tax at £39.6 million show an increase of 14% after meeting substantially higher depreciation and interest costs.

Dividends
The recommended final dividend of 1.71293 pence per share (compared with 1.27293 pence per share in the previous year), if approved, will be paid on 1 January, 1978 to shareholders whose names are recorded in the register at close of business on 18 November, 1977.

Extraordinary Items
The major item of £7.7 million net, relates to a provision which has been made in respect of all the costs— including redundancy, surplus stocks, disruption and dilapidations— that we can reasonably identify at the present time, arising from the major cut-back in British Post Office requirements.

Dividends
The recommended final dividend of 1.71293 pence per share (compared with 1.27293 pence per share in the previous year), if approved, will be paid on 1 January, 1978 to shareholders whose names are recorded in the register at close of business on 18 November, 1977.

Providing the information
From Mr. G. Smith.
Sir,— With the announcement that information disclosure to trade unions for collective bargaining under the Employment Protection Act is to be required after August 22, a significant step and opportunity could be taken to tackle our economic problems. Progressive managements could now show in a more tangible way some economic realities.

Individuals, companies and Government when in their roles as a customer/consumer believe in output—tons, gallons, suits, inches, etc., at a price per unit. Individuals, companies and Government require incomes by the year in order to meet their needs whether for wages/salaries, profits or to balance their budget.

The only link between customer piece work and employee day work is productivity. Your sufficient correspondence on the use and potential of the concept of added value for measuring, monitoring, motivating and rewarding improved wealth creation—more added value.

This concept could be applied to the above economic realities always will apply to every company, every industry and the whole national economy. Provided to eradicate the particular disease (which is possible) preventing it from becoming endemic and thus obviating the need for expensive and cumbersome "special equipment" in every "surgery" in the country.

W. A. J. Trafford, 41, Rookes Lane, Lynton, Hampshire.

Construction failures
From the Director, British Constructional Steelwork Association.
Sir,— The article by Michael Cassell (June 16) paints a worrying picture of the state of construction standards: certainly one in the industry can afford to be complacent. It may be worth pointing out, however, that many of the risks of failure are eliminated or dramatically reduced by adopting frame construction.

This is true whatever the frame material, but steel-framed buildings offer the particular advantage that the integrity of the structure does not depend so much on factors such as weather or the standards of skills on site. Structural steel members have built-in, known, defined quality, since they are produced to strict standards in the rolling mills. Fabrication takes place away from the construction site under factory conditions. Erection is a straight-forward assembly operation which is carried out quickly by a small number of skilled men, who normally come from the fabricating company.

A further recognition of the advantages of steel-frame construction, particularly among consultants and other specifiers, and its wider use in practice, would help the construction industry to arrest and reverse the fall in safety standards Mr. Cassell's article describes.

D. D. Pritch, Silvertown House, 1, Vincent Square, S.W.1.

Radicate the disease
Mr. W. Trafford.
I would refer to your correspondent Mr. J. English end of June 20 on the subject of inflation accounting. I am Mr. J. A. Harbot (June 20) admirably expressed the position and that disease was exactly the same word to use both to inflation accounting and the phenomenon of inflation. Logics are strong aids in the doctrine arguments and the doctrine a well-constructed one of general use and in the practitioner's normal practice, however, I am sure that every point was that every should be made by all con-

Derelict sites
From Mr. J. Hancock.
Sir,— One wonders whether Mr. Peter Shore, the Environment Secretary, consulted his colleague, the Minister of Agriculture, when he announced new moves to help speed up industrial investment by urging local authorities to give precedence to planning applications for new factories and offices "of any size and in all areas," as reported on June 18.

The Plessey Company's consolidated results for the fourth quarter and the results for the twelve months to 31 March 1977 are as follows (with the results for appropriate periods by way of comparison):

Figures in £000s	Three Months to		Twelve Months to	
	31 March 1977	31 March 1976	31 March 1977	31 March 1976
Sales	160,500	146,100	588,800	490,100
Profit on Trading	17,288	14,837	58,301	53,404
Depreciation	4,892	4,250	18,722	18,105
Associated Companies	2,374	1,943	8,463	8,035
Interest Receivable	282	718	1,472	1,140
Interest Payable	2,624	1,502	8,874	6,907
Redundancy Cost*	12,496	11,346	41,700	37,567
Profit before Taxation	911	1,870	2,119	2,867
Taxation	11,585	9,876	39,581	34,700
Profit after Taxation	4,600	3,400	15,400	15,300
Minority Interests	5,985	3,276	23,181	19,400
Profit before Extraordinary Items	111	380	985	1,107
Dividends— including proposed final	6,874	5,896	22,176	18,293
Extraordinary Items (Net)				
Exchange Adjustments (including associated companies—£1,288)			-2,649	-2,838
Business Closures— Talco-communications			-7,720	-
Other			900	1,107
			107	249
			-11,162	-1,482
Earnings per Share				
Before Extraordinary Items	2.92p	2.57p	9.44p	9.24p
After Extraordinary Items			4.99p	9.99p
Weighted average number of shares (in thousands)	235,218	229,644	235,142	197,948

*Not included in Extraordinary Items.

PLESSEY GROUP
Operating internationally in 135 countries

COMPANY NEWS + COMMENT

Powell Duffryn climbs 43.4% to £13.69m.

AN ADVANCE in taxable profit from £3.2m to £5.8m in the second half lifted Powell Duffryn from a depressed £5.5m to a record £13.69m for the year to March 31, 1977. Sales were £54.7m, better at £50.33m.

For the current year the directors expect that any further effect of the present recession in the construction industry on some group activities will be cushioned by the continuing improvement in the results of other divisions. With a projected sizeable increase in turnover together with the plan for a considerable uplift in the capital investment programme, there is no shortage of optimism in the group, they say.

Company	Page	Col.	Company	Page	Col.
AB Foods	28	2	Grendon Trust	30	2
Allied Breweries	30	1	Hambros	28	4
Bishopsgate Property	28	1	Mann and Overton	30	2
Bradford Property	28	3	Plessey	28	1
British Petroleum	26	7	Powell Duffryn	26	1
Drake and Scull	26	2	Selection Trust	28	6
Electrocomponents	28	4	Streeters	26	7
Evans of Leeds	30	3	Tecalemit	28	1
Greenfield Millets	26	4	Whitbread	28	5

Stated earnings per 30p share were 20.6p (18.5p) and a net dividend of 3.05p raises the total to 1.803p (1.704p). If the rate of ACT is reduced a further dividend of 0.55p will be paid at the same time as the interim for 1977-78.

Mr Alec Ogilvie, the chairman, says that the engineering division's trading profit was up 50 per cent. at £5.8m. All companies in the division continued to show performance, and there was continuing success in export markets. Once again, exports—direct and indirect—of Hamworthy's products exceeded 50 per cent. of sales, and some 50 per cent. of Hymec's and PD Engineering's production was sold overseas.

In smoother trading conditions the shipping division started a recovery; timber and quarries did well in a far from easy construction market; pollution control had a better year; fuel distribution had a busy second half of the year to make up for the absence of demand last summer; and oil and chemical storage, which has considerable growth potential, increased profits, he reports.

With decreasing recession in both the U.K. and French construction industries, the building services contracting division incurred a loss. However the division has started the current year with an improved order book and should commence to benefit from work secured in the Middle East, he adds.

Upsurge by Drake & Scull

UNDERLINING THE marked recovery in all trading companies in the U.K. and overseas, pre-tax profit of electrical, mechanical and construction engineers, Drake and Scull Holdings was £529,000 for the six months to April 30, 1977, compared with £11,000 in the previous comparable period.

According to Mr. Michael Abbott, chairman, the improvement also demonstrates in a tangible way that the new national structure is beginning to produce benefits both in improved operating performance

	1976-77	1975-76
Sales	26,524	24,889
Trading profit	14,771	10,254
Pre-tax profit	13,889	9,588
Taxation	650	4,881
Net profit	13,239	4,707
Dividend	16	13
Reserves	4,707	4,634
Pre-tax dividend	1,291	1,574
Dividend	4,000	2,784

of around £5m, and correcting this still looks at least a fairly long term exercise. With the shares at 19p, 6p below nominal value, the group, which capitalised at £2.5m, is apparently contemplating a capital re-structure for the near future.

Progress at Greenfield Millets

SALES FOR the half year to April 30, 1977, of Greenfield Millets expanded from £3.12m to £3.81m, and pre-tax profits increased from £212,000 to £316,000. The directors say that in the past year, the greater proportion of profit is earned in the second half and, barring unforeseen circumstances, it is anticipated that the 12-month profit will reflect a satisfactory increase over last year's £746,000.

The interim dividend is raised from 0.357p net per share to 0.565p on enlarged share capital at a cost of £60,920 (£23,415). As forecast in last month's one-for-seven rights issue which has given the group trustee status, the total year's dividend is being increased by 59 per cent. to 1.75p (1.0075p).

After adjusting for the rights issue first-half earnings per share rose from 1.03p to 1.47p per share.

The group is now repaying the rewards of recent plans, members are told. The group's leisurewear attract a growing demand, particularly the company's own "Rugger" and "Greenfield Leisure" brand merchandise, while the trade of the whole division continues to expand across the whole range of products. The directors are negotiating for the 13th store and are expanding warehouse capacity.

comment

After really taking off in the second six months of last year, Drake and Scull's recovery has continued to the first half of 1977-78 and appears to point the group towards a full-year pre-tax level of around £1m, after terminal costs—£220,000 at half-time.

Whether that brings the group any closer to a return to the dividend list, though, remains to be seen. At the end of 1975-76 the market was expecting this to take at least three years and that still looks a reasonable estimate. The three remaining operating companies, which are all involved in mechanical and electrical contracting for the construction industry, are pushing ahead largely on the back of work in the developing nations. And the streamlining which began with the sale of the major interest, Holland, Hannens and Cubitts at the beginning of last year is not finished yet. The group is currently in the process of disposing of around £250,000 of properties from the new defunct Cubitt Developments. But the balance sheet still shows a revenue reserves de-

fect of around £5m, and correcting this still looks at least a fairly long term exercise. With the shares at 19p, 6p below nominal value, the group, which capitalised at £2.5m, is apparently contemplating a capital re-structure for the near future.

ISSUE NEWS AND COMMENT

William Baird to raise £2.88m.

William Baird, the textile engineering group, is proposing to raise £2.88m from shareholders by way of a rights issue of 24m Ordinary £1 shares. The basis of the issue is one-for-five at 108p per share. The shares closed 5p lower on the market at 134p.

Giving its reasons for the issue, the company underlines the trend in its borrowings last year. Total debt was up to £3.24m, partly reflecting the cash element of the William and Thomas Marshall investments and partly the increased requirements for working capital.

The group's textile companies which are in a position to take the opportunity for profitable expansion if consumer spending picks up towards the end of this year and into 1978.

Turning to current trading the chairman, Mr. S. A. Field, endorses his statement made at the annual meeting last month that despite the flatness of the economic situation in general and consumer demand in the U.K. in particular, group sales and estimated profits for the four months to the end of April were also high. The corresponding period of 1976, the corresponding last month adjusting for Thomas Marshall.

In the absence of unforeseen circumstances the directors expect to pay a total dividend of 1.41435p per share (14.0892p gross). This represents an increase of 10 per cent. over the dividend paid for 1976.

The rights issue has been underwritten by S. G. Warburg, Brokers and Parsons in Glasgow. Dealings start on June 27 in a nil paid form.

M Y Dart 1-for-7

M Y Dart is raising £34,000 by way of a one-for-seven rights issue at 36p each. The directors are also forecasting pre-tax profits for the current year to July 2 of not less than £163,000 against £173,000 last year. They also intend to raise the net dividend from 1.3p to 2.435p per share (13.2p gross).

Two significant acquisitions in recent months—a Danish shuttlecock business and the 50 per cent. stake in Troncher that it did not already own—have been made at a cost of £468,200 cash.

The directors have decided that it would be appropriate to restore the relationship between shareholders and debt. An increase in the capital base will also provide greater flexibility for financing future expansion. They are continuing to plan for further expansion of trade a development of new product lines in all divisions.

The issue has been underwritten by E.H. Samuels and Co. as Capel. Cure Myers and dealings start on June 24.

Newcastle Water stock

Newcastle and Gateshead Water Company has issued £2.5m of 13 per cent. Redeemable Debenture Stock 1984 at 97 per cent. The issue is payable as to 223 holders on July 27 and 272 per cent. on July 27.

Interest is payable half-yearly on February 1 and August 1 each year, and the first payment of £7.67 (less tax) per cent. is due next February.

The stock will be redeemable at par on July 31, 1984.

Proceeds of the issue will be used to redeem £1m of preference stock and provide funds towards financing capital expenditure.

Brokers to the placing are Seymour, Pierce and Co., Dealings start on Friday.

comment

After the failure of Folkestone's debenture issued at the end of May 10 to match its offer price one dealings started, the terms of the Newcastle issue are pitched to take a bit more leeway. The balance was at 97 per cent. the first and running yields are 13.4 per cent. and 13.7 per cent. respectively, which compares with 12.5 per cent. and 13.2 per cent. from Folkestone carrying a lower coupon, or 13.1 per cent. and 13.2 per cent. from Rickmansworth which is a similar dated 10 per cent. stock. So a small premium looks right assuming that the gilt market does not go softer between now and Friday afternoon.

LOCAL LOANS

The coupon rate on the local authority yearlings bonds is up from 8 1/2 per cent. at par to 9 1/2 per cent. issued at 92 1/2. The bonds mature on June 28, 1978. The issues this week are:

- Lothian Region Council (£2m.)
- Lothian District Council (£2m.)
- Wimborne District Council (£2m.)
- West Derbyshire District Council (£2m.)
- City of Aberdeen (£2m.)
- City of Edinburgh District Council (£2m.)
- Glasgow District Council (£1m.)
- Newbury District Council (£1m.)
- Rhyemey Valley District Council (£1m.)
- Stenage District Council (£1m.)

Two year bonds were issued with a coupon of 11 1/2 per cent. (net 11 1/4 per cent. last week. The bonds are due at par on June 20, 1979. The issues are:

- Lothian Regional Council (£1m.)
- Metropolitan Borough Council (£1m.)
- Beverley Borough Council (£1m.)
- West Norfolk District Council (£1m.)
- Borough of Grimsby (£1m.)

Three year bonds this week are issued with a coupon of 12 1/2 per cent.

Scottish Heritable

In his annual statement Mr. Cochrane Duncan, chairman of The Scottish Heritable Trust, predicts that the group should again produce encouraging results in 1977, following the record pre-tax profit figure of £335,133 for last year against £233,310 (as reported on May 25).

Mr. Duncan is cautiously optimistic about each of the group's divisions but, in particular, points to the company's interests in the international trade in oriental carpets. This division contributed £306,906 to profits in 1976, much of it in excess earnings, and in the current year has anticipated further expansion by acquiring an interest in options to purchase Kayam Carpets Limited of London.

Scottish Heritable's hardware supplies business, the largest operation of its kind in Europe, is also trading well this year and the group's property and plant hire and plant sales divisions are both expected to show satisfactory results. The motor supplies division which turned round from a loss to a small profit in 1976 should continue to make progress.

	1976	1975
Pre-tax profit	£335,133	£233,310
Dividend	12 1/2 p	12 1/2 p

BP 0.5m. reprint after more demand for shares

BY MARGARET REID

A REPRINT of another 500,000 prospectuses and application forms for the £50m offer of record-breaking Petroleum shares has now been sent out to banks and Post Offices after strong demand in many areas. The extra print brings the total number distributed to 1.2m.

BP's price yesterday eased by 8p in the conditions to 890p, compared with the 845p price of the share offer. The closing date for applications is this Friday, June 24.

There is now increasing confidence among the ten merchant banks and five leading stockbroking concerns which last week arranged underwriting for the whole issue that it will be oversubscribed, though estimates vary from the extent of the expected oversubscription.

Applications from the classes of preferred applicants—sub-underwriters, occupational pension funds and BP employees—are already believed to amount to between 50 per cent. and 60 per cent. of the offer. Assuming that a further 25 per cent. is withdrawn, the proposed sale in the American market—where there are encouraging signs of interest—only some 15m. shares would remain to be taken up.

As many BP shares have to be paid on application, the £50m offer is required to be put up for £45m. There is increasing confidence in the market that applications from non-preferred sources should comfortably exceed such an amount. The balance of shares remaining to be applied for by the Bank of England, acting for the Government, on Monday, the day of the terms of the planned sale of the U.S. is also to be settled.

Mr. Quentin Morris, BP's financial co-ordinator, who played a key part in the operation and who was in the U.S. last week for the first of the five U.S. underwriters' meetings with investment bankers, is returning to Am tomorrow.

He will be in New York for the U.S. sale of BP shares arranged on Monday. An important part of his mission also concerns the listing next of terms for the £250m, CI Valdez, Alaska, bonds, issued with the guarantee of the U.S. in connection with the terminal at the end of the pipeline from Alaska oilfield.

Streeters expects increase

SINCE THE lifting of the Government's moratorium on public expenditure affecting construction, Streeters of Godingal is again receiving a reasonable flow of contracts for which to tender, says Mr. E. A. Streeter, the chairman. While it is anticipated that the workload for 1977 will be similar to that for the year under review, he says, the contracts in hand are maintaining the unimpaired profitability trend of 1976.

Streeters Saudi Arabia, which operates under the company's management, has experienced unimproved trading conditions resulting from the decision of the Saudi Arabian Government in July to delay many major projects to reduce internal inflation and devalue the Saudi riyal. However, Streeters is expecting a revival of activity during the year, and the company's overseas success, the chairman says, has been a key factor in the company's success in the field of international construction.

Pre-tax profit in 1976 (up from £1.2m to a record £1.8m) after a contribution of £1.2m from the Saudi Arabian operations reported on June 15, earnings were 26.5p, higher at 17.84p (14.8p). A subsidiary operating company had a successful year, Streeter says.

Government spending limited the amount of work for by an increase in members are told.

The company's liquid position year by year by the resilience of Saudi Arabia of a substantial portion of the initial Saudi Arabian Government in funds by the company for many major projects to reduce internal inflation and devalue the Saudi riyal.

COUNTER-INFLATION ACT 1977

The Treasury has given consent to the declaration by the following companies of dividends of the total amounts specified for financial years ending on the specified dates:

Company	Amount	Rate
The Ash Spinning Co. Ltd.	£48,462	26.1
Parkland Textile (Holdings) Ltd.	£277,200	4.1
Readicut International Ltd.	£1,680,744	31.1
Coalite and Chemical Products Ltd.	£1,624,557	31.1
Vernon Fashion Group Ltd.	£1,624,557	31.1
W. G. Frith & Co. Ltd.	£1,176,000	28.1
The Brunning Group Ltd.	£1,040,463	31.1
Charles Hill of Bristol Ltd.	£1,117,111	31.1
William Press & Son Ltd.	£1,329,775	31.1
Elwick-Hopper Ltd.	£211,342	31.1
George Whitehouse (Engineering) Ltd.	£9,274	30.1
The House Property Company of London Ltd.	£19,230	31.1
Energy Services & Electronics Ltd.	£56,594	31.1
Western Motor Holdings Ltd.	£68,211	31.1
W. Williams and Sons (Holdings) Ltd.	£37,355	26.1
Harrisons & Crossfield Ltd.	£3,895,667	31.1
Force Bilton Ltd.	£3,092,591	31.1
J. W. Wassall Ltd.	£6,523	31.1
W. G. I. Ltd.	£363,560	31.1
Margreaves Group Ltd. (London & Overseas Freighters Ltd.)	£1,596,524	31.1

Published by the Treasury as required by the above Act

BRIXTON

ANNUAL REPORT 1976

	1976	1975
Net Rental Income	£4,525,000	£3,909,000
Pre Tax Profit	£1,990,000	£1,628,000
Value of Investment Properties	£83,796,000	£72,240,000
Earnings per Share	3.42p	2.89p

- Maximum permissible increase in dividend recommended.
- 1 for 10 Bonus Issue proposed.
- Surplus of £4,920,000 from revaluation.
- Funds available to finance all current commitments and undertake further developments where suitable opportunities arise.

Copies of the Report and Accounts for 1976 may be obtained from the Company Secretary, 22-24 Ely Place, London EC1N 6TQ.



Associated British Foods

'Our wide spread of interests at home and abroad adds up to a very successful year'

Financial highlights	1977	1976	1975
	£ million	£ million	£ million
Sales	1,490.9	1,301.5	1,066.8
Profits before tax	80.4	65.7	45.5
Profits after tax and minorities	34.6	28.2	19.5
Net assets	396.0	333.4	258.3
Capital expenditure	62.0	51.1	43.0
Earnings per share	9.86p	8.56p	6.01p
Dividend per share	2.08p	1.73p	1.59p

- Points from the statement by the Chairman, Mr. Garry H. Weston
- The results demonstrate the strength of Associated British Foods through its broad diversification in the food industry at home and overseas.
 - Excellent progress by our smaller United Kingdom based manufacturing companies.
 - In the United Kingdom we have continued our programme of heavy capital expenditure and covered our working capital requirements, without increasing our borrowings.
 - A higher return on assets has been achieved, demonstrating the efficient use of our assets.
 - Net margins overseas were maintained at the previous year's level of 6.7%, with those in the United Kingdom increased from 4.2% to 4.7%.
 - Dividends increased by 20%.
 - Even with an intensification of competition, the strength of the Group is such that we view the future with confidence.

Associated British Foods Limited, 40 Berkeley Square, London W1N 6BR.

Jeffrey Pitt



It's been a busy year for Jackie Stewart - and for us.

On location in the U.K., Jackie Stewart O.B.E. prepares to make a TV commercial for Britax

So busy, in fact, that we turned in a £4.7 million profit, twice what we made in 1975.

Some other highlights from the BSG International results last year:

33% of our earnings now come from abroad.

57% of our profits come from our manufacturing interests.

What achieved this kind of result for BSG International in 1976?

Car safety equipment for a start.

Jackie Stewart has been helping to maintain 'Britax' leadership in Britain and right across Europe. Incidentally, we've now added a new child safety seat and the 'Sunliner' sunshine roof, to the 'Britax' range.

What with Jackie's efforts and successful marketing by our factories

in France, West Germany, Holland and the U.K., we are now Europe's No. 1 producer of seat belt and other vehicle safety equipment. In fact, virtually all of Europe's leading car manufacturers fit our seat belts, mirrors and other components.

European motorists, too, know that quality matters where safety equipment is concerned. We like to think that is why most of them now choose products made in our factories.

Beyond Europe, BSG International safety products—either through direct exports or by licensing agreements—are fitted by car makers in Australia, Japan and South Korea.

Nearer home, our Bristol Street Motors car dealerships make us Europe's largest Ford dealers.

In addition to holding franchises for Vauxhall and Chrysler, we now also represent Opel, Volkswagen, Audi, Fiat, Citroën, Alfa Romeo, Mercedes-Benz, Datsun, Simca, Porsche and BMW giving us a major stake in the fast growing imported car market.

On top of all this, we have an industrial fastener, steel processing and heavy engineering side.

And a furniture factory.

And we are the U.K.'s biggest aircraft seating manufacturer.

To get the full, diverse story of BSG International and its achievements ask our Company Secretary, Ray Thorne, for our 1976 Report and Accounts.

BSG International

Burgess House, Coventry Road, Birmingham B25 8BB. Telephone: 021-707 0490.

Carving up the razor market

BY STUART ALEXANDER

IF YOU had breakfasted in one of the 2,700 McDonald's hamburger outlets in the U.S. this morning, it is quite likely you would have been given a free disposable razor.

Not because the taste of the burger might make you want to wash up with a shave, it is because Gillette is backing its judgment with \$7.7m. in the U.S. market of the French company Bic and its short-lived attempt to buy American Safety Razor (ASR), which takes its name from the tobacco concern Philip Morris. The deal, approved by the Federal Trade Commission on anti-trust grounds, would have given Bic a marketing base for its razor in the U.S. market.

If at first it seems that the firm is unduly worried about a little fellow who has issued a challenge, it should not be forgotten that Bic has already taken Gillette in the fields of ballpoint pens and disposable cigarette lighters. So this latest attack at the very heart of the Gillette empire has been taken seriously and the aggressive marketing team at Bic is relishing every tremor from the Gillette Boardroom.

Gillette has brought actions against Bic in several European countries, claiming infringements of patent rights. In a counter-move Bic brought an action in the U.S. asking a lawyer court to judge that certain U.S. patents assigned to Gillette were invalid.

Then followed the FTC intervention and Bic abruptly pulled out of all talks with ASR.

Bic has been around for a long time, holding as it does one third of the world market for ball-point pens. But it has been its success in the American market that has more than made it a glamour company. A highly successful launch on the Paris market in 1977 when over-subscription took the share price up to an already high Frs.650.

It is since then that the company, still guided by founder Baron Marcel Bich, repeated its success in the U.S. market and now 50 per cent. of earnings from the razor market.

Price discounts

Aggressive marketing in the form of price discounts and heavy advertising has been the name of the game but Gillette has far more strength in depth in the ubiquitous ecology lobby over the question whether its aerosol propellants are quietly destroying the ozone layer—and in 1977 when over-subscription took the share price up to an already high Frs.650.

So, in addition to streamlining products and improving its administration, the company can look forward to maintaining its 50 per cent. of earnings from the razor market.

No comparison

And there are new markets to develop like Brazil. In the U.K. life is also a bit calmer. Although Bic plans a £100,000 advertising campaign for its throwaway razors starting on June 1, it describes the market as being at an "educational stage" and recognises that it will take some time before it can make any big impact.

While it claims about 3 per cent. of the U.S. market it is much more cautious about any success in the U.K. where its packages of three blades and double-edged blades sell for 24p. or at 30p. each about the same price as an average twin-edged long-life coated blade.

The vast majority of men shaving in this country this morning will have done so in the same way as their fathers.

Electric razor usage remains fairly static, fluctuating only one or two points either side of 25 per cent. so Bic, once again, is in the position of having to slice into a cake which is unlikely to increase in size.

They are hoping, however, that they will be able to build as it is publicly going on the safety angle in relation to children, because its disposables do not have loose blades.

They are also handy, says the company, to keep in the glove pockets of a car or lockers of a boat or caravan. But casual sales such as these are not the basis of a solid market share.

The marketing logic remains the same: that is they are high profit, quick repeat items that can be sold through an existing network of retailers. Multiple stores have figured in a small way so far—and talks are still going on with them—so Bic continues to rely on using a large number of small outlets as well as being helped by Alberto Cuiver in distribution.

While the blade companies have remained aloof, Nor has the entry of Bic caused any great shivers this side of the Atlantic. Even though both Wilkinson and Gillette see the future in terms of systems like Gil or bonded blades Wilkinson, for instance, still holds 35 per cent. of the user market with its traditional double-sided stainless steel blades.

For a long time the purpose has been to sell not blades but handles and holders — to the extent that the companies hope to put two or three different types in a shaving cabinet. Although television has played its part, the cut-price special offer and strong point-of-sale has been at least as important. Blades without holders are not much use so while the initial sale of the razor is crucial, Wilkinson says they are most unlikely to add a disposable to their range and point to the difficulty of expanding a market where less is spent on shaving.

than the soap and after-shave lotion which go with it.

Wilkinson, now part of Wilkinson Match, has diversified itself in other areas. On the fast repeat side it sells sunglasses, exercise sandals and pens, while garden tools and kitchen products are also among the group's products. But the basic tempo of its business has not changed. Outlets are still very widespread and razor blades are still the staple product.

It sees the Bic razor as a competitor to the blade business, not handle promotion, and points to the fact that the cost of a Bic throwaway is almost exactly the same as that of a conventional blade.

While Bic accepts that at present its product may be seen as a second-choice standby, its aim is to make its disposables a first choice in a significant sector of the market.

In the U.S. the Muhammad Ali-type salesmanship performance of Bic's local president Mr. Robert Adler have amused stock market analysts and enraged Gillette. His throwaway answer is that he would be content with 50 per cent. of the market, while at the same time admitting that perhaps the Gillette product may be slightly superior.

Nor is he very complimentary about his company's panty hose line, though this, he says, can wait for development after the

razor blade priority is dealt with.

Undoubtedly the failure of Bic to buy ASR has hurt them more than they would like to admit, and it has made their job of cracking the U.S. market that much harder.

But the elusive Baron Bich saw his company's total sales rise in 1976 by 40 per cent. to \$276m. and profits double to \$12m. With a compact group of products and a heavy reliance on ease of manufacture, low sale price, quick repeat and highly aggressive marketing he has struck at the base of Gillette's business. In a business where volume and market share are vitally important, Gillette has taken care to react quickly and strongly. In the end it could be that both will be stronger, at the expense of some of the interested spectators.

At the end of the day, however, the copious financial muscle of Gillette has always seen it through. When the chips are down Gillette, can sustain losses or break-even far longer than anybody else in the field and the company has shown itself prepared to fight hard in the market place and on television to retain and protect its oldest and most cherished baby.

Without the haze which have given it, Bic faces a long and uphill struggle with a new product in a conservative market.

Just in file

This announcement appears as a matter of record.

\$100,000,000

AMAX INC.

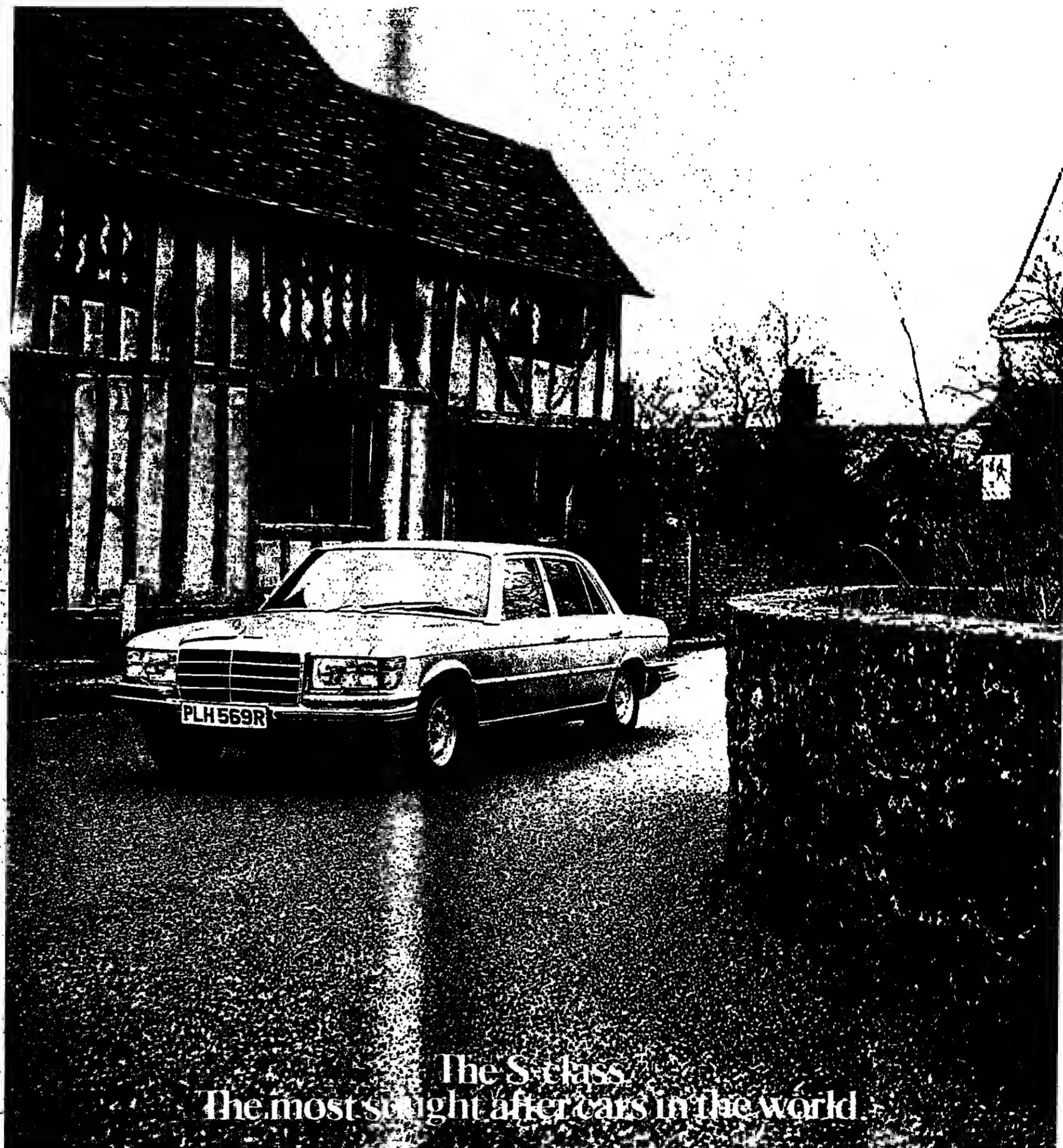
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June 16, 1977



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MINING

Uranium

Trust Limited

Allied Breweries ahead by £11.5m. at 32 weeks

TURNOVER for the 32 weeks to May 7, 1977 of Allied Breweries expanded from £505.7m. to £668.8m. and pre-tax profits rose from £27.9m. to £39.4m.

The directors state that trade in the period has been firm, with a good pre-Christmas period. It is anticipated that results for the remaining 20 weeks, given reasonable conditions, should continue to show an improvement on last year although this improvement will not be at the same rate as for the first part of the year. Earnings from operations for the 32 weeks are shown to be up from 2.79p to 3.58p per 25p share and the interim dividend is lifted from 1.165p to 1.25p net. Last year's total was 3.521p paid from stated earnings of 6.4p. Profits were 563m. before tax.

Turnover	£668.8
Trade surplus	£27.9
Depreciation	£12.5
Finance charges	£1.2
Income tax	£1.2
Minorities	£0.2
Prof. dividend	£1.2
Current losses	£0.1
Retained profits	£1.2
Ordinary dividend	£1.2

Figures for the 32 weeks include those for the same period of Teacher (Distillers) and Embassy Hotels (Hyde Park) respectively of turnover £44.3m. and £2.1m. and pre-tax profit £2.8m. and £0.4m.

Mr. Derrick Holden-Brown, the vice-chairman, said later that the pre-Christmas trade had been an all-time record.

Over the 32-week period all divisions achieved volume growth with the best performance turned in by wine and spirits. In percentage terms the improvement on pre-tax profits was 41 per cent. Mr. Holden-Brown stressed that new acquisitions and a recovery after the industrial troubles in Birmingham over the same period last year had distorted the comparisons.

Excluding new acquisitions, the improvement in profits would be trimmed back to nearer 29 per cent, adjusting further in take account of labour problems last year the overall increase would be around 10 per cent.

Allied Breweries still has a big share stake in Trust Houses Forte. Mr. Holden-Brown said "There is no change in policy regarding this interest. We are quite happy with our shareholding."

See Lex
McLEOD RUSSEL
McLeod Russel has established

Advance by Mann & Overton

LONDON taxicab specialists and motor engineers etc., Mann & Overton reports turnover up from £3.08m. to 4.06m. for the half year to April 30, 1977, and an advance in profits from £398,000 to £537,000 before tax of £280,000 against £207,000.

Grendon cuts borrowings to £6m.

The result of Department of Trade investigations into Dowson, General and CST Investments, the former financial empire of Mr. Christopher Selmes, is unlikely to be published for some time, according to Mr. David Donne, chairman of Grendon Trust whose Ordinary shares are held by CST.

There has been speculation that the DOT report would be published in the next month but Mr. Donne believes that the inspectors were still taking evidence and that even if the report were to be presented this week it would be some months before it could be published.

Presenting the annual report of Grendon Trust yesterday, Mr. Donne said that group borrowings had been substantially reduced in the past financial year from £19m. to £12.4m. and since the year ending in September this had been halved to about £6m.

Mr. Donne said that since the new management team was appointed in June, 1974, when the book value of properties amounted to £21.3m., there has been a net deficit on revaluations of £6.7m. and properties with a book value of £9.1m. have been

LABOUR CALL FOR STRONGER POLICY

Tighter controls urged for multinationals

BY MICHAEL LAFFERTY, CITY STAFF

WIDE-RANGING proposals for stronger Government control over the activities of multinational companies operating in the U.K. are put forward in a draft paper which could become Labour Party official policy this year.

The paper calls on the Government to monitor the policies of multinationals through planning agreements, the establishment of a Foreign Investment Unit as part of a National Planning Commission, and greater disclosure of the activities of multinationals based on more effective international codes of conduct.

The draft paper has been prepared by a committee of some 20 Labour Party and trade union representatives under the chairmanship of Mrs. Judith Hart, Minister of Overseas Development.

The committee includes Mr. Robert Sheldon, Finance Secretary to the Treasury, and Mr. Alan Williams, Minister for Industry, as well as about seven other Labour MPs.

The group, referred to as "The Working Group on Transnationals", is expected to hold one more meeting before sending the paper to the party's National Executive Committee for consideration at its July meeting.

Mrs. Hart said yesterday that the proposals if approved would be published as a Labour Party Green Paper, in advance of the Party Conference in Brighton in October.

A summary of the paper would be submitted to conference for adoption as official party policy.

The draft begins by pointing out that transnationals are the fastest growing elements in our societies.

They are accumulating to themselves wealth and power and reducing the effectiveness of the democratic elements of society. Economic decisions which were taken by Governments can now only be noted by them.

Examining the concentration of industry, it claims that the public has less real alternatives in choosing whom to buy from than a few years ago.

There was no reason to suppose that this trend would be reversed. "Quite simply, fewer and fewer companies are controlling more and more of the total goods produced."

The draft argues that these corporations no longer compete on a price basis. One of the large transnational firms is quoted as saying that its prices are not based on the cost of production but on the price of other goods.

It says that the ability of multinationals to shift profits from one country to another by manipulation of prices, usually to claim some tax advantage, is a subject which receives considerable attention.

"Such manipulation not only affects the tax take of the country concerned but also damages the balance of payments of the receiving country if the transfer price is lower than an 'arms length' one, and that of the importer if it is higher."

"In addition, a high inward transfer price pushes up the cost to the consumer, thus adding to inflationary pressures in the country concerned."

"The United Kingdom being a relatively high-tax country is more likely to be on the wrong end of the multinationals' calculations."

Turning to what action is necessary to control multinationals, the working group states that any strategy must accord with the industrial strategy already set out by the foreign-owned transnational ownership, the National Enterprise Board, planning agreements and industrial democracy.

"The aim is not therefore to place them in a separate category but to isolate the special problems they create, especially the foreign-owned transnational ownership, and suggest that therefore there is a need for special solutions."

Setting forth a policy for dealing with multinationals already operating in the U.K., the draft paper says:

(i) Monitor their policies towards such vital matters as employment, exports, investment plans, and research and development;

(ii) Discover their real importance to major sectors of industry and ensure that they do not achieve a dominant position without consideration of the effects;

(iii) Ensure that controls of these companies is not merely a matter for foreign speculation but that the future of their British employees is safeguarded, especially whenever they change hands;

(iv) Guard against the sudden divestment, the decision taken thousands of miles away to shut down the whole, or a major part, of their activities in this country.

The paper describes existing U.K. machinery for evaluating foreign inward investment as "chaotic, confusing, and overlapping."

If the Monopolies Commission, the only Government body which evaluates the industrial consequences of take-overs and mergers, "broadened its outlook and took a worldwide perspective, then it would become a more useful tool."

The group comes down in favour of the establishment of a Foreign Investment Unit as part of a broader National Planning Commission for all companies.

"The unit would pull together all the existing powers and strengthen them. It would act as a clearing house, and should take primary responsibility for investigating economic/industrial effects of proposed investment and do the negotiations with the company concerned on the criteria of entry and U.K. Government commitments."

The draft paper is highly critical of the recent OECD Code of Conduct for multinationals. "The guidelines are for the most part vague and weak—the ones in particular, particularly disappointing, although the proposals go further than the legal position in some European countries."

"The basic weakness of disclosure was that companies were allowed to give the information by geographical areas, and geographical areas means such groups of countries or individual countries as each enterprise determines is appropriate in its particular circumstances."

Advantage

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Queens Moat Houses Limited

Pre-tax profits up 34%

Chairman John Ralston reports results for the year to 31st December 1976:

- Pre-tax profits £13,603,144 (1975 £10,180,000) - up 34%
- Turnover £63,512,781 (1975 £47,225,000) - up 35%
- After-tax profits £1,127,811 (1975 £1,101,191) - up 18%
- A final dividend of 2.5p is recommended by the directors. No dividend was paid in 1975, but the company intends to return to full dividend payments as soon as possible.

The recent recovery in the hotel industry, together with lower bank interest rates, enables us to look to the future with optimism. We now feel we are able to enter a phase of controlled expansion and to this end are negotiating on several projects which will improve the profitability and financial soundness of the company.

Types of 1976 Report & Accounts may be obtained from the Company Secretary, Queens Moat Houses Limited, 1 Regent Street, London, W1A 1AT.

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Holders of the above mentioned Bonds are hereby notified that, pursuant to the applicable provisions of the Trust Deed constituting the Bonds, the exchange date for this issue has been determined to be 6th July, 1977. The bearer of a Temporary Bond shall be entitled, upon the surrender thereof on or at any time after the said exchange date and upon compliance with the provisions set forth in the said Trust Deed, including completion of a certificate of non-U.S. beneficial ownership, to exchange such Temporary Bond for a Definitive Bond with Coupons attached thereto free of charge at the office of Morgan Guaranty Trust Company of New York, 33 Lombard Street, London EC3P 3BN, England.

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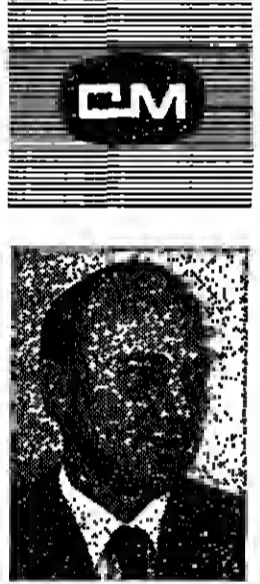
In accordance with the requirements of the Council of Stock Exchange £250,000 of the Stock is available in market on the date of publication of this Advertisement. Particulars of the Stock have been circulated in the Financial Times, and copies may be obtained free of charge on request from the Company Secretary, Seymour, Pierce & Co., 10 Old Jewry, London, EC2R 3EA.

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87th Annual General Meeting of the Chamber of Mines of South Africa

Call for lifting of economic curbs in South Africa

Mr. R. A. Plumbridge

OVERSEAS ABRIDGED
THE FOLLOWING IS AN ABRIDGED VERSION OF THE ADDRESS BY MR. R. A. PLUMBRIDGE, PRESIDENT OF THE CHAMBER OF MINES OF SOUTH AFRICA, AT THE 87TH ANNUAL GENERAL MEETING OF THE CHAMBER ON JUNE 21ST 1977.

The past year was one of unusual difficulty for the mining industry which has to contend with deepening recession in South Africa and in the commodity prices, a continuing high rate of escalation in working costs and rapid rise and fall in the availability of Black labour. The year was marked, too, by disturbances in Black townships in South Africa and by mounting political tensions in Southern Africa as a whole which weakened investor confidence and, together with worldwide competition for available investment finance, led to a fall in the inflow of foreign capital which has persisted in 1977. The mining industry is so inherently strong that, despite these difficulties, the broad picture remains one of progress, but grave issues face the country which, if not resolved, will react increasingly upon the mining scene.

MINERAL PRODUCTION

It was fortunate for South Africa that when the gold mining industry was experiencing severe difficulties as a result of the plunge in the gold price, the quantity and value of other mining exports increased. In many cases substantially above those of 1976. The total value of South African mineral sales reached a new peak of R4,489 million compared with R4,134 million in 1976, an increase of 8.6 per cent. Sales of minerals other than gold totalled R2,088 million compared with R1,574 million in 1976, a rise of 32.7 per cent.

South African coal production in 1976 totalled 77.1 million metric tons compared with 79.4 million metric tons in 1975, an increase of 2.9 per cent. Mainly as a result of the opening of the Richards Bay harbour, coal exports increased to 40 million metric tons worth R1,034 million compared with 37.7 million metric tons worth R874 million in 1975.

Expenditure on new coal mines and extensions to existing mines in the next three to

Bank in international transactions at the official price or which is placed in reserves.

For a number of years the Chamber has advocated to the relevant authorities that producers should be paid the free market price on delivery and therefore the announcement by the Minister of Finance is warmly welcomed by the industry. The new arrangement will relieve the industry of any obligations in regard to official gold transactions. However the industry is disappointed that it will not be able to benefit from the proposed revaluation of the gold reserves which are to accrue solely to the State.

THE GOLD MARKET

The major event in the gold market was the commencement of regular gold auctions by the International Monetary Fund on 2nd June 1976. In anticipation of the auctions the gold price had been depressed from the levels which had prevailed prior to the original announcement of the Fund's intentions. However, the market was able to absorb the quantities sold in the first two auctions without too much difficulty. Thereafter the gold price declined rapidly to a low of 310.05 sh ounces on 31st August as it became apparent that the market was unable to absorb the Fund's offerings at realistic prices during a period of seasonal weakness in demand.

During this critical period for the gold mining industry the Chamber held a series of discussions with the International Monetary Fund and other interested parties in an endeavour to bring about a more flexible and realistic approach to the Fund's disposal programme. The frank interchange of ideas has, I am sure, enabled all concerned to gain a greater appreciation of the problems associated with the programme and its implications for one of the largest sectors of the South African economy which is one of the biggest employers of Black unskilled labour in Southern Africa.

While a number of sensible changes have been made to the Fund's auction system, the Chamber remains convinced that a more flexible approach to the quantities sold from time to time is vital to market stability and the interests of those who benefit from the profits derived from the sales. It must be accepted that the price of gold will fluctuate from time to time due to normal supply/demand conditions end in particular during

MONETARY ROLE

Justification of the amendments to the Articles of Agreement of the IMF will formally eliminate the stamp duty monetary functions of gold. The new amendments do, however, permit the mobilization of official gold holdings by allowing central banks to buy and sell gold freely. It is understood that in January 1978 the existing accord between the IMF and the Group of Ten countries not to increase their net aggregate gold holding will terminate and, unless an extension of this agreement is negotiated, the gold market will effectively enter a new phase early next year.

PROMOTION

During 1976 there was a dramatic increase in the demand for gold jewellery in the Middle East. Although part of this is associated with the traditional hoarding philosophy of that region it cannot be doubted that the improved financial position of the population has had a major part to play. In Europe a similar but relatively less spectacular increase took place in jewellery demand and it is clear that the Chamber's marketing arm, the International Gold Corporation, which was established in 1971, has played an important promotional role.

LABOUR

In circumstances of a deepening recession, high unemployment and inflation rates, the Chamber has not at this time made any changes to the basic wages and conditions of employment of the employees of the industry. The Government has adopted the stance that increases should not be granted this year and has led the way by declining to do so for civil servants and employees of public corporations. In asking its employees to accept restraints in the light of economic difficulties facing the country and the objective of ensuring that at least 30 per cent of Black employees came from South Africa and Transkei. This target has been exceeded. This is a result of more competitive wages paid and the improved conditions on mines, the general economic situation in the country and

the enhanced recruiting effort which has been mounted by the industry.

This success is not in conflict with the desire of the industry to continue to engage workers in all countries from which men have traditionally come to work on the mines. In particular, prolonged discussions have taken place with the objective of facilitating the re-engagement of experienced Malawi miners who have expressed a desire to return to employment on the gold mines.

THE OUTLOOK

The level of export earnings this year will depend to an important extent on the pace of economic revival in the major industrialized economies, and, particularly for metals such as chrome, manganese, vanadium and iron ore, on the performance of the world steel industry. Despite the recent decision of the major countries at their economic summit meeting in London to seek reasonable growth, it is not easy to forecast the likely course of events. Economic growth could well continue to be relatively slow with continuing effects on the demand for industrial raw materials.

Of critical importance in the combating of inflation is improvement in the productivity of labour. Endeavours on this front require a significant breakthrough which will depend upon employing fully the human resources of the country.

History teaches that the free enterprise system is the only route by which such major economic objectives can be reached and that the efficient operation of the system requires a willingness to bring about change wherever and whenever necessary. This is especially true of South Africa at this time, bearing in mind our special position in Africa.

There is no more vital task, therefore, than to lift restrictions and curbs on the economic system to enable people of all races to participate equally in the open market place.

The full text of this address may be obtained from the General Manager, Chamber of Mines of South Africa, 5 Holland Street Johannesburg 2001.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Row brews over threat of Italian steel plan

PAUL BETTS ROME, June 21. WHILE MOST of the attention focuses on the ground with completion of the Alaska pipeline...

ALASKAN AIRLINES

Talking takeover turkey

BY ART GARCIA, RECENTLY IN ALASKA

WHILE MOST of the attention focuses on the ground with completion of the Alaska pipeline...

The merger of the two major local airlines would form a "formidable competitor in the run for the money that increasingly flows from the development of Alaska's natural riches."

Merrill Lynch hot up bank competition

By Jurek Martin

NEW YORK, June 21. MERRILL LYNCH, Pierce, Fenner and Smith today announced the details of an original form of brokerage...

CS maintains profit margins

RICHARD ROLFE JOHANNESBURG, June 21. OLD Mutual Storage (ICS) Old Mutual and its joint trust associate...

GERMAN COMPANIES

Orders rise by 40% at Hochtief

BY GUY HAWTHIN FRANKFURT, June 21.

THE WEST GERMAN construction industry is still comfortably offsetting the continued loss of orders from abroad...

OK Bazaars sales expand

BY OUR OWN CORRESPONDENT JOHANNESBURG, June 21.

OK BAZAARS, the biggest retailer in South Africa, pushed turnover up to R550m in the year to March 31...

CH NEWS Nilever Meat cutback

MICHAEL VAN OS AMSTERDAM, June 21.

MANAGEMENT OF Unilever proposes a considerable cutback in activities to structure problems and work councils and unions...

IPC sells Dutch publisher

By Our Own Correspondent AMSTERDAM, June 21.

INTERNATIONAL Publishing Corp. (IPC), of London, is selling its 40 per cent interest in the Dutch publishing company Misset to Elsevier...

Propafilm to commence production

BY DAVID BUCHAN BRUSSELS, June 21.

THE JOINT VENTURE under the name of Propafilm, between the Belgian chemical and film group (45 per cent)...

DOMESTIC BONDS Dutch State tender offer

BY JEFFREY BROWN

THE DUTCH State plans to issue a 500-million guilder tender offer for a 10-year maturity carrying a coupon of 8 per cent...

st-Brocades warning

BY OUR OWN CORRESPONDENT AMSTERDAM, June 21.

ST-BROCADES, the leading Dutch producer of industrial and consumer products, is company expects a further extension...

Allianz lifts profits

ALLIANZ VERSICHERUNGS-AG, West Germany's largest insurance group, has reported a worthwhile increase in profits...

New Brunswick to raise \$50m

THE PROVINCE OF New Brunswick plans to issue \$50m notes due 1984 in the bond market...

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Table with columns for bond types (Straight, D-Mark, Euro), issuer, and price/interest rate.

Varning from Kredietbank chief

AVID BUCHAN BRUSSELS, June 21.

VING that State central concession by Premier Leo Tinbergen banking sector demands to his new Socialist...

Record profit for Heinz

HAVING reported record sales and earnings for 1976-77, H. J. Heinz Company said it expects to achieve new highs in the current fiscal year...

\$60m. Euroloan by Hellenic Aero.

HELLENIC AEROSPACE Industry has completed arrangements for a \$60m. Euro-currency loan which will be used to build an aircraft maintenance plant...

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FINANCIAL TIMES REPORT

Wednesday June 22 1977

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West Yorkshire

As the third largest English county, West Yorkshire is grappling with administrative problems connected with its sheer size. But in its search for solutions to problems like unemployment and urban renewal it can rely on important advantages such as good communications, natural assets and hard-working people.

Faith in its future

That the Tories have started well. They promised more "open local government" and started their reign by throwing open sub-committees as well as committees to Press and public. They believe this will work for their good. They are to "pare down" the Labour-introduced consumer advice service and Mr. Batty told me they have no intention of implementing Labour's plan to buy, as a council, interests in local industry.

They were faced with the usual problems of such a change of control. They have a lot of new councillors without administrative experience at metropolitan county level. But Mr. Batty says they are a talented lot and will not take long to get into the way of things.

Preference

Most West Yorkshire businessmen are pleased. Apart from their general preference for a Tory administration, they now feel more will be done about town centre parking, an issue which led to "nearly open war" between some districts and the Labour controllers at Wakefield. Labour policy was to push the county's excellent and efficient public transport services, which include some subsidised commuter railway lines. Businessmen claimed there were insufficient short-term parking facilities for what still thinks that two-tier local government is a disaster. ("We've had it for four years and I'm still looking for the rates office," grumbled a spectator to me at a Bradford League cricket match the other Saturday.)

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how blurred is the picture of the future shows up in two wide-ranging alternative forecasts in the county council's interim report on its structure plan. Given favourable national growth, with the country maintaining its position in world markets, West Yorkshire expects an increase of more than 25,000 jobs up to 1985. But assuming a low level of growth, there would be a loss of 53,000 jobs.

fore-seable future. You can only have commuting when you have a public transport system like London — we could not supply the sort of interchanges needed, excellent though our public transport system is.

But local authorities do what they can. Bradford has a bus shuttle service between a large council housing complex and Euroways, one of its big industrial estates, which has vacant sites and is complete with a hotel of the French Novotel group and almost instant links with the motorway into Lancashire.

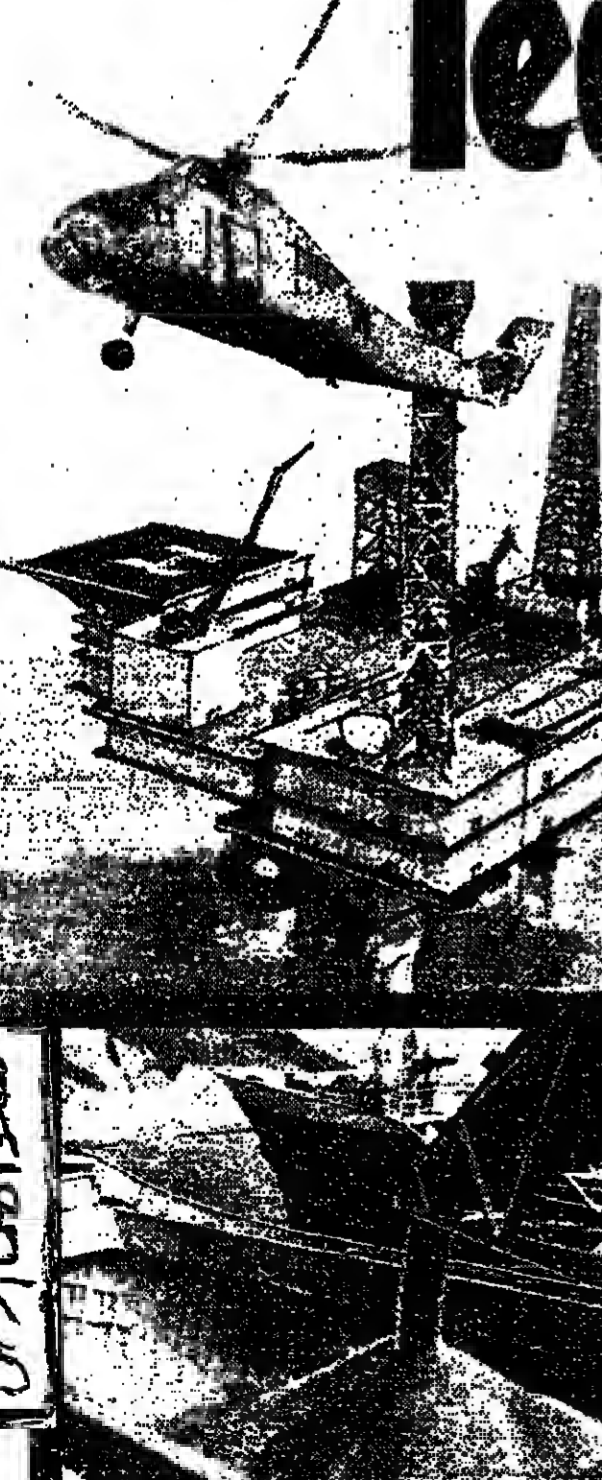
It has the problems common to all old manufacturing areas. The rundown of jobs in the wool textile industry has been a source of worry in the county's plain. But the people like them field, Dewsbury and Batley are all old textile towns, though their constant search for more vacant sites, now looks almost beautiful, a space age city with its catwalks and subways. You almost expect to see moving pavements.

West Yorkshire has lost most of its mining. Even the Pontefract and Leeds and Halifax is to get a fracture line.

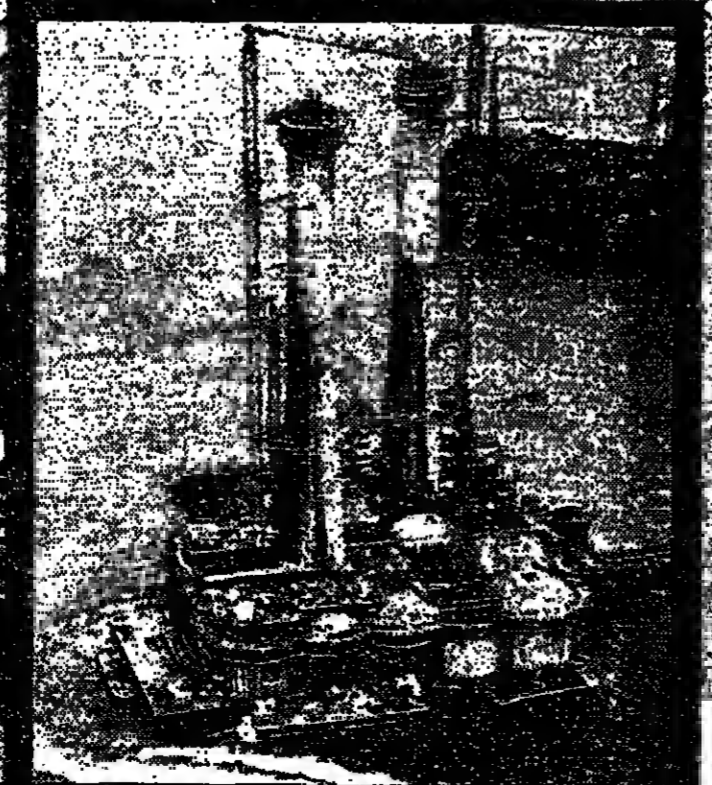


industry isn't what it was — the famous liquorice fields are taken not just to see the moor ported already, processed in After all, it is argued tanks. But the area has kept where a worker can high in the industrial league lunchtime sandwiches, with its engineering, chemicals open moor, or his and plasirs (ICI is well-established watching cattle or plished in the Kirkstall district). meadow, has a lot in The county's leaders are not making any rash speculations about the future, Mr. Batty feels there won't be a lot of footloose jobs in the near future, and, shire is going to be like most local government county of Britain — a leaders in the north, has his stop us — are not worries about the threat of But there is still a pr devolution in Scotland to inlus- amount of local pr drial development investment in. Another man at th the old English manufacturing match said, "We th areas." But I don't think were out of the su devolution is going to happen, years ago when we s he added with a fair amount of new buildings, and confidence. .The county's best selling had it inside. Well, point — apart from its good wrong, but things all history of labour relations — is and we're not going its scenery. That is why visit- lihoody wrong."

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The moors and curley never far away

WHEN JAZZMAN Graham Collier wrote a "Suite with Words" based on J. B. Priestley's writings, for a Bradford arts festival, he called it Smoke Blackened Walls and Curleys. The title sums up the spirit and landscape of West Yorkshire.

Not that there are many smoke-blackened walls left. Town centres have been cleaned up and torn apart. Smokeless zones have made the county a better place to live and work in. But the curleys and the high moors remain.

West Yorkshire people have always been proud of the greenery on their cities' doorsteps. They have been rather slow in realising that it might bring in the tourists. But things are moving.

The success of neighbouring Northumbria in developing its links with a Scandinavian past and attracting vast crowds of Norwegian shoppers to Newcastle, Durham and Middlesbrough, has not gone unnoticed. West Yorkshire has centres with cheap and efficient leisure activities, fast and subsidised public transport and a countryside that contradicts the "dark Satanic mills" image.

"It is a forgotten world anxiously awaiting to be rediscovered and explored," a county council document on tourist potential says.

As its biggest tourist earner, the county has the Bronte Country. On a bleak rain-racked day recently, Haworth, the village where the sisters lived and worked, was thronged with Japanese, Americans, Dutch and Germans. High on the moors, at the inns, they were queuing for huge "ploughman's lunches" which would put any London pub to shame.

A dripping local wiped his face with a copy of the Kelghley News and said: "This is the sort of weather that brings 'em in. They're expecting to see Heathcliffe at every corner."

Bradford, the metropolitan district that embraces Haworth, is hoping to cash in further on the lure of the Brontes. It has plans for Bronte workshops for students and others during holidays, with accommodation at the various college hostels in the district.

government economies have made it unlikely anything will be done in the near future. But the county's big attraction to visitors and incoming industrialists is its excellent communications.

The motorway link between Liverpool and Hull is now complete. There are almost hourly trains to London, with the best roast beef and Yorkshire pudding on the whole of BR in the dining cars. Some commuter lines are county council-subsidised and county planners are confident the Leeds-Bradford Airport will get its extended runway for jumbo jets. Thomson Holidays' experience of holiday flights to Spain from the airport may give plans a boost.

West Yorkshire has always been in the forefront of the arts. The image of brass bands and 1,000 Messiahs every Christmas is only part of the story. Leeds and Bradford both have local authority-managed theatres, the Leeds Triennial Musical Festival brings the best of choral music to the county, great choirs like the Huddersfield Choral Society help the musical scene (when they're not appearing at Salzburn) and the various fringe theatres springing up around the

university and the city giving a new boost to the area. One thing the established locals deplore is the drift of life away from centres, Leeds and Bradford, with their fine new precincts, are a great shopping hours. Di of the new pubs a people still prefer to the country evenings.

Reluctance. For whatever count say about the relic West Yorkshiremen for work, they seem willing to commute. The picture of life in Leeds drawn in Hoggart more than is ago seems a million years in spite of to-day's life. The worries about it are still there, but it is Harry Ramden's sally-famous fish and at Guiseley don't as worrying too much. areas of the city's field Choral Society help the musical scene (when they're not appearing at Salzburn) and there is optimism, a people who tell you springing up around the is yet to come.

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A task for industry

AD the local Press and the talk in the streets and pubs. It is hard to get a realistic view of West Yorkshire's industrial outlook. News of further job-shedding by the Burton group, once part of the Leeds wool-textile industry, reports of redundancies in other local areas and the worries about competition from Bradford tube industry just add burdens of an area which is more than its share. There are bright spots, however, in the service industries given a transfusion of life, particularly in the demand for women's National companies as Hambro Life and Bank have set up headquarters in Leeds and the area's share of civil services, such as the big new Revenue centre at Ship-little town at the edge of the Bradford urban district. But with a change in White-Hall towards moving jobs out of London, West Yorkshire is being where future growth will be, the mail order business continues to boom (Bradford is the base of Empire Grattan and Provident).

Engineering

But West Yorkshire is much more than textiles. It has huge engineering works. English Electric and Hepworth and Grandage at Bradford, the big Crompton Parkinson factory at Gulseley, developed from a back street engineering shop before World War I by the brothers Frank and Albert Parkinson. Leeds is a world centre of the printing machine industry and House of Algraty, the printing plate-makers, already established in the city, is believed to have plans to bring its entire national operation there shortly. A local planner told me: "We know the chances of attracting entirely new industry to the area are not as bright as they were, but we believe a lot can be done in helping companies already established here to expand. We have the land for factories and we can certainly supply the skilled labour." Companies which have established themselves in the county all seem highly satisfied. Officials talk of the good pool of skills and the almost flawless labour relations record when compared with areas like Merseyside and the Midlands. For example, the Frigoscandia group set up the biggest cold store in Europe at South Kirkby, a former mining area near Wakefield in 1971. They report: "Employee-management relations have been first class and everyone has taken an active part in developing the complex." Another foreign group is Cameron Ironworks, the Texas based international company which now manufactures oilfield equipment at Stourton, near Leeds. It has never known an all-out strike. "Your Yorkshire people and the Texans have a lot in common," one of the American managers says. It is hard to cover the vast canvas of West Yorkshire industry without missing some of its household names. At Calderdale, the centre of the printing textile areas, the Leeds factories were the first to be closed. Spinners' (a Halifax man's invention) to cash registers, from d and Huddersfield asphalt to wire and top-quality used to complain: "We carpets in an area which is more than half rural land. Kirkstall is the centre of worsted cloth. But the two small towns of Dewsbury and Batley are the home of some of the world's most famous blankets. This was because of manufacturers and the centre of planning by the shoddy (re-processed wool). "We could see the industry. But they now house a tailoring rundown diversity of industries, from the multiple of Parkland Manufacturing is essentially engineering, but a company in Bradford, does make sports equipment, from the cheap chemicals, tentage and furniture mainly making cloth.



The Merrion Centre, a new shopping complex in Leeds

Planners know the future lies in increasing the area's diversity. In the older pubs you find a few people bemoaning the passing of the wool industry's peak as a labour-provider. "There aren't any characters left in the trade," they say and look back nostalgically to the day when the Wool Exchange was packed with hard-headed men in overcoats that looked as if they had been made in a shipyard, when God was in his Heaven and the Wool Record was a weekly and not a monthly. The more intelligent eyes are on the future. Planners are hoping to fill those empty offices and point out that rentals are among the most competitive in the country. One sore point with many people in the districts is the way they claim that Leeds has hogged the lion's share of the office accommodation. "There is no doubt," one local businessman said, "that some national organisations do want to come to Leeds, and perhaps not to, say, Halifax or Huddersfield. But you can't deny that Leeds is a great regional centre which provides everything a commercial undertaking needs."

There is a general opinion that Leeds can pretty well look after itself. The real problem areas are some of the older villages on the outer fringes of Kirkstall and Calderdale. The county council's recent interim report on its structure plan discussed the declining economic base of the Upper Calder and Colne Valleys. These areas, the report says—above Sowerby Bridge and west of Huddersfield—have suffered from loss of population, a deterioration in the level and quality of facilities and consequently poor environment. People leaving the areas, the report goes on, tend to be from the younger age groups, which has resulted in labour shortages discouraging industrial expansion and private investment.

Brighter news for the area is shown by a steady recovery of the industrial property market in the first few months of this year. The County Council reports: "A rapid recovery of inquiries and lettings in all areas occurred, with the demand for freehold property for small and medium-sized companies in Leeds particularly marked." There is no doubt that a huge task lies before West Yorkshire's new masters. Having said publicly that it believes the contraction of the textile industry is at the root of the county's decay, the county is determined to stop the rot.



Centre of life in York

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imistic

ough the actual percentages from one section to nearly 50 per cent. of industry's total output is being exported compared with traditional average of 30 per cent. Stretching a little further, port earnings are now up at £2,000 a year of our labour force. The textile trade chiefs are optimistic. They pour the multiple tailoring talk about the decline of the British International fashion. "That's just for had management," they point to the rapid growth of the British International fashion. "We would have thought that the down of the Leeds industry would have household names. At Calderdale, the centre of the printing textile areas, the Leeds factories were the first to be closed. Spinners' (a Halifax man's invention) to cash registers, from d and Huddersfield asphalt to wire and top-quality used to complain: "We carpets in an area which is more than half rural land. Kirkstall is the centre of worsted cloth. But the two small towns of Dewsbury and Batley are the home of some of the world's most famous blankets. This was because of manufacturers and the centre of planning by the shoddy (re-processed wool). "We could see the industry. But they now house a tailoring rundown diversity of industries, from the multiple of Parkland Manufacturing is essentially engineering, but a company in Bradford, does make sports equipment, from the cheap chemicals, tentage and furniture mainly making cloth.



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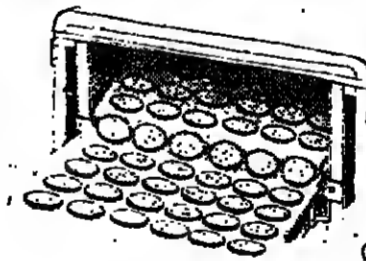
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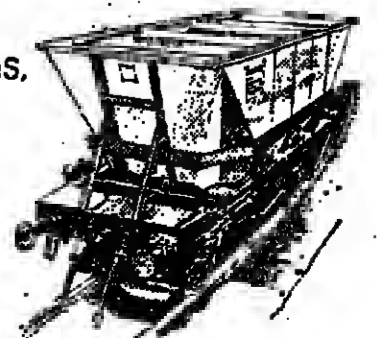
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Index up another 4 in 29m. volume

FOREIGN EXCHANGES

Dollar firm

BY OUR WALL STREET CORRESPONDENT

NEW YORK, June 21

THE ADVANCE continued on Wall Street to-day, although the close was below the best in the heaviest trading in two months. The Dow Jones Industrial Average finished a further 4.33 up at 928.60 and the NYSE All Common Index gained another 19 cents to 553.99, while rises led falls by 870-to-560. Trading volume sharply expanded 6.75m. shares to 29.53m.

Buying was encouraged by the Labor Department report that the Consumer Price Index in May rose at a slower pace than in April. The Department reported an annual 7.2 per cent rise compared with 9.6 per cent in the previous month. While the May rate was still substantially below what it is believed to be, the report said it relieved concern that inflation might gain at a double digit rate.

TUESDAY'S ACTIVE STOCKS

Stock	Close	Change
500 Common	553.99	+19.00
500 Industrials	511.06	+11.72
500 Utilities	115.54	+11.26
500 Transp.	238.18	+28.48
500 Govt. Bonds	107.17	+10.01

of about 2.7 per cent. appeared thus far to be accurate. Also encouraging the Commerce Department reported that New Factory Orders for Durable Goods increased by 0.7 per cent. in May after a 0.7 per cent. decline in April.

Tyler gained \$1.12 to 822.1, Phillips Petroleum \$1.10 to 831. Texas Eastern Transmission \$1.10 to 822.1, Marathon Oil \$1.10 to 822.1, Amalgamated Sugar \$1.10 to 822.1.

OTHER MARKETS

Canada strengthened Canadian stock markets strengthened further to increased activity yesterday. The Metals and Minerals Index advanced 10.4 to 1,072. Golds rose to 57.5 and Oil and Gas 9.4 to 1,171.2.

Indices

NEW YORK - DOW JONES

June 21	June 20	June 19	June 18	June 17	June 16	June 15	High	Low	High	Low
Industrial	928.60	924.27	920.44	926.65	917.57	922.47	939.75	898.56	1051.70	41.72
Utilities	115.54	114.26	113.89	113.56	115.43	113.52	121.94	102.22	163.32	16.32
Transportation	238.18	229.48	228.80	228.41	227.78	228.25	246.54	211.01	279.80	12.23
Government Bonds	107.17	106.42	106.25	106.15	106.15	106.15	117.25	102.22	128.42	3.52

Base of index changed from July 1

Ind. div. yield % 4.79 4.83 4.81 3.79

STANDARD AND POORS

June 21	June 20	June 19	June 18	June 17	June 16	June 15	High	Low	High	Low
Industrial	111.06	110.72	110.21	111.10	110.25	110.25	105.57	104.54	121.25	36.2
Utilities	107.17	106.42	106.25	106.15	106.15	106.15	117.25	102.22	128.42	3.52
Composite	100.74	100.42	99.87	99.65	99.62	99.65	107.00	101.15	111.73	10.62

Ind. div. yield % 4.39 4.63 4.51 3.41

Long Govt. Bond yield 7.56 7.66 7.67 5.00

OVERSEAS SHARE INFORMATION

NEW YORK

Stock	June 21	June 20	June 19	June 18	June 17	June 16	June 15	June 14	June 13	June 12
Alcoa	44.5	44.1	43.8	43.5	43.2	42.9	42.6	42.3	42.0	41.7
Am. Int'l.	37.5	37.1	36.8	36.5	36.2	35.9	35.6	35.3	35.0	34.7
Am. Overseas	28.5	28.1	27.8	27.5	27.2	26.9	26.6	26.3	26.0	25.7
Am. Ship.	18.5	18.1	17.8	17.5	17.2	16.9	16.6	16.3	16.0	15.7
Am. Tel. & Tel.	10.5	10.1	9.8	9.5	9.2	8.9	8.6	8.3	8.0	7.7
Am. Transp.	25.5	25.1	24.8	24.5	24.2	23.9	23.6	23.3	23.0	22.7
Am. Water	15.5	15.1	14.8	14.5	14.2	13.9	13.6	13.3	13.0	12.7
Am. Wire	12.5	12.1	11.8	11.5	11.2	10.9	10.6	10.3	10.0	9.7
Am. Zinc	35.5	35.1	34.8	34.5	34.2	33.9	33.6	33.3	33.0	32.7
Am. Oil	45.5	45.1	44.8	44.5	44.2	43.9	43.6	43.3	43.0	42.7
Am. Gas	55.5	55.1	54.8	54.5	54.2	53.9	53.6	53.3	53.0	52.7
Am. Chem.	65.5	65.1	64.8	64.5	64.2	63.9	63.6	63.3	63.0	62.7
Am. Elec.	75.5	75.1	74.8	74.5	74.2	73.9	73.6	73.3	73.0	72.7
Am. Mach.	85.5	85.1	84.8	84.5	84.2	83.9	83.6	83.3	83.0	82.7
Am. Paper	95.5	95.1	94.8	94.5	94.2	93.9	93.6	93.3	93.0	92.7
Am. Text.	105.5	105.1	104.8	104.5	104.2	103.9	103.6	103.3	103.0	102.7
Am. Food	115.5	115.1	114.8	114.5	114.2	113.9	113.6	113.3	113.0	112.7
Am. Drug	125.5	125.1	124.8	124.5	124.2	123.9	123.6	123.3	123.0	122.7
Am. Rubber	135.5	135.1	134.8	134.5	134.2	133.9	133.6	133.3	133.0	132.7
Am. Glass	145.5	145.1	144.8	144.5	144.2	143.9	143.6	143.3	143.0	142.7
Am. Steel	155.5	155.1	154.8	154.5	154.2	153.9	153.6	153.3	153.0	152.7
Am. Iron	165.5	165.1	164.8	164.5	164.2	163.9	163.6	163.3	163.0	162.7
Am. Coal	175.5	175.1	174.8	174.5	174.2	173.9	173.6	173.3	173.0	172.7
Am. Lumber	185.5	185.1	184.8	184.5	184.2	183.9	183.6	183.3	183.0	182.7
Am. Brick	195.5	195.1	194.8	194.5	194.2	193.9	193.6	193.3	193.0	192.7
Am. Cement	205.5	205.1	204.8	204.5	204.2	203.9	203.6	203.3	203.0	202.7
Am. Paper	215.5	215.1	214.8	214.5	214.2	213.9	213.6	213.3	213.0	212.7
Am. Text.	225.5	225.1	224.8	224.5	224.2	223.9	223.6	223.3	223.0	222.7
Am. Food	235.5	235.1	234.8	234.5	234.2	233.9	233.6	233.3	233.0	232.7
Am. Drug	245.5	245.1	244.8	244.5	244.2	243.9	243.6	243.3	243.0	242.7
Am. Rubber	255.5	255.1	254.8	254.5	254.2	253.9	253.6	253.3	253.0	252.7
Am. Glass	265.5	265.1	264.8	264.5	264.2	263.9	263.6	263.3	263.0	262.7
Am. Steel	275.5	275.1	274.8	274.5	274.2	273.9	273.6	273.3	273.0	272.7
Am. Iron	285.5	285.1	284.8	284.5	284.2	283.9	283.6	283.3	283.0	282.7
Am. Coal	295.5	295.1	294.8	294.5	294.2	293.9	293.6	293.3	293.0	292.7
Am. Lumber	305.5	305.1	304.8	304.5	304.2	303.9	303.6	303.3	303.0	302.7
Am. Brick	315.5	315.1	314.8	314.5	314.2	313.9	313.6	313.3	313.0	312.7
Am. Cement	325.5	325.1	324.8	324.5	324.2	323.9	323.6	323.3	323.0	322.7
Am. Paper	335.5	335.1	334.8	334.5	334.2	333.9	333.6	333.3	333.0	332.7
Am. Text.	345.5	345.1	344.8	344.5	344.2	343.9	343.6	343.3	343.0	342.7
Am. Food	355.5	355.1	354.8	354.5	354.2	353.9	353.6	353.3	353.0	352.7
Am. Drug	365.5	365.1	364.8	364.5	364.2	363.9	363.6	363.3	363.0	362.7
Am. Rubber	375.5	375.1	374.8	374.5	374.2	373.9	373.6	373.3	373.0	372.7
Am. Glass	385.5	385.1	384.8	384.5	384.2	383.9	383.6	383.3	383.0	382.7
Am. Steel	395.5	395.1	394.8	394.5	394.2	393.9	393.6	393.3	393.0	392.7
Am. Iron	405.5	405.1	404.8	404.5	404.2	403.9	403.6	403.3	403.0	402.7
Am. Coal	415.5	415.1	414.8	414.5	414.2	413.9	413.6	413.3	413.0	412.7
Am. Lumber	425.5	425.1	424.8	424.5	424.2	423.9	423.6	423.3	423.0	422.7
Am. Brick	435.5	435.1	434.8	434.5	434.2	433.9	433.6	433.3	433.0	432.7
Am. Cement	445.5	445.1	444.8	444.5	444.2	443.9	443.6	443.3	443.0	442.7
Am. Paper	455.5	455.1	454.8	454.5	454.2	453.9	453.6	453.3	453.0	452.7
Am. Text.	465.5	465.1	464.8	464.5	464.2	463.9	463.6	463.3	463.0	462.7
Am. Food	475.5	475.1	474.8	474.5	474.2	473.9	473.6	473.3	473.0	472.7
Am. Drug	485.5	485.1	484.8	484.5	484.2	483.9	483.6	483.3	483.0	482.7
Am. Rubber	495.5	495.1	494.8	494.5	494.2	493.9	493.6	493.3	493.0	492.7
Am. Glass	505.5	505.1	504.8	504.5	504.2	503.9	503.6	503.3	503.0	502.7
Am. Steel	515.5	515.1	514.8	514.5	514.2	513.9	513.6	513.3	513.0	512.7
Am. Iron	525.5	525.1	524.8	524.5	524.2	523.9	523.6	523.3	523.0	522.7
Am. Coal	535.5	535.1	534.8	534.5	534.2	533.9	533.6	533.3	533.0	532.7
Am. Lumber	545.5	545.1	544.8	544.5	544.2	543.9	543.6	543.3	543.0	542.7
Am. Brick	555.5	555.1	554.8	554.5	554.2	553.9	553.6	553.3	553.0	552.7
Am. Cement	565.5	565.1	564.8	564.5	564.2	563.9	563.6	563.3	563.0	562.7
Am. Paper	575.5	575.1	574.8	574.5	574.2	573.9	573.6	573.3	573.0	572.7
Am. Text.	585.5	585.1	584.8	584.5	584.2	583.9	583.6	583.3	583.0	582.7
Am. Food	595.5	595.1	594.8	594.5	594.2	593.9	593.6	593.3	593.0	592.7
Am. Drug	605.5	605.1	604.8	604.5	604.2	603.9	603.6	603.3	603.0	602.7
Am. Rubber	615.5	615.1	614.8	614.5	614.2	613.9	613.6	613.3	613.0	612.7
Am. Glass	625.5	625.1	624.8	624.5	624.2	623.9	623.6	623.3	623.0	622.7
Am. Steel	635.5	635.1	634.8	634.5	634.2	633.9	633.6	633.3	633.0	632.7
Am. Iron	645.5	645.1	644.8	644.5	644.2	643.9	643.6	643.3	643.0	642.7
Am. Coal	655.5	655.1	654.8	654.5	654.2	653.9	653.6	653.3	653.0	652.7
Am. Lumber	665.5	665.1	664.8	664.5	664.2	663.9	663.6	663.3	663.0	662.7
Am. Brick	675.5	675.1	674.8	674.5	674.2	673.9	673.6	673.3	673.0	672.7
Am. Cement	685.5	685.1	684.8	684.5	684.2	683.9	683.6	683.3	683.0	682.7
Am. Paper	695.5	695.1	694.8	694.5	694.2	693.9	693.6	693.3	693.0	692.7
Am. Text.	705.5	705.1	704.8	704.5	704.2	703.9	703.6	703.3	703.0	702.7
Am. Food	715.5	715.1	714.8	714.5	714.2	713.9	713.6	713.3	713.0	712.7
Am. Drug	725.5	725.1	724.8	724.5	724.2	723.9	723.6	723.3	723.0	722.7
Am. Rubber	735.5	735.1	734.8	734.5	734.2	733.9	733.6	733.3	733.0	732.7
Am. Glass	745.5	745.1	744.8	744.5	744.2	743.9	743.6	743.3	743.0	742.7
Am. Steel	755.5	755.1	754.8	754.5	754.2	753.9	753.6	753.3	753.0	752.7
Am. Iron	765.5	765.1	764.8	764.5	764.2	763.9	763.6	763.3	763.0	762.7
Am. Coal	775.5	775.1	774.8	774.5	774.2	773.9	773.6	773.3	773.0	772.7
Am. Lumber	785.5	785.1	784.8	784.5	784.2	783.9	783.6	783.3	783.0	782.7
Am. Brick	795.5	795.1	794.8	794.5	794.2	793.9	793.6	793.3	793.0	792.7
Am. Cement	805.5	805.1	804.8	804.5	804.2	803.9	803.6			

ARMING AND RAW MATERIALS

India fixes maximum price

Our Own Correspondent
JUTE Commission has a maximum price of a quintal for WS grade...

Summer chill slows down fruit and salad sales

BY OUR COMMODITIES STAFF
CLOUDY, chilly weather over much of Britain has killed the consumers' seasonal appetite...

Strawberries are relatively expensive, however, mainly because of the canning, freezing and jam making industries...

'Subsidy cuts hit milk sales'

Financial Times Reporter
DOMESTIC milk consumption in the U.K. has fallen by almost 700,000 pints a day...

BRAZILIAN COCOA

Crop damage fears prove unfounded

WITH HARVESTING now well underway, traders in Salvador are putting Brazil's tempo...

Table with 4 columns: Beans, Products, TOTAL, and years 1974, 1975, 1976, 1977.

has imposed quotas on the tempo crop: of the first 2.0m. 510,000 go to both the exporters and the grinders...

tarp rise in cocoa market

Richard Mooney
A FUTURES prices rose yesterday with the Sep position on the London market closing 293.5...

EEC 'ice cream' rule opposed

BY ROBIN REEVES
BRITAIN CONTINUED to block a European Commission plan to limit the name 'ice cream'...

crackers and cream sherry. But it has since been watered down. But the Government was opposed on principle to trying to solve the problem of dairy surplus...

Copper talks inconclusive

PARIS, June 21.
THE Inter-governmental Council of Copper Exporting Countries...

Canadian wheat and U.S. corn need rain

BY OUR COMMODITIES STAFF
CANADA will harvest 17m. Food Conference. But yesterday's report from the Canadian grain lands showed...

production in the central part of the corn belt. Speaking in Manila, Mr. Bob Bergland, U.S. Agriculture Secretary, confirmed...

COMMODITY MARKET REPORTS AND PRICES

Table with multiple columns listing various commodities like metals, grains, and their prices.

SOYBEAN MEAL PRICE CHANGES

Table showing price changes for soybean meal with columns for date, price, and change.

U.S. Markets

Table with multiple columns listing U.S. market prices for various commodities.

A WELL KNOWN CITY BANKING HOUSE advertisement.

rite Box A5993, Financial Times, 10, Cannon Street, EC4P 4BY advertisement.

PUT YOUR MONEY INTO OUR LIFE-SAVINGS advertisement.

SILVER advertisement.

COFFEE advertisement.

COCOA advertisement.

MEAT/VEGETABLES advertisement.

JUTE advertisement.

COFFEE advertisement.

COCOA advertisement.

MEAT/VEGETABLES advertisement.

JUTE advertisement.

GRAINS advertisement.

GRAINS advertisement.

GRAINS advertisement.

GRAINS advertisement.

WOOL FUTURES advertisement.

WOOL FUTURES advertisement.

WOOL FUTURES advertisement.

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WOOL FUTURES advertisement.

WOOL FUTURES advertisement.

Large advertisement for RNL (Royal Naval Lifeboat Institution) at the bottom of the page.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of authorised unit trusts including Brown Shipley & Co. Ltd., Guardian Royal Ex. Unit Mgrs. Ltd., Henderson Administrators, and others. Columns include fund name, manager, and performance metrics.

Table of offshore and overseas funds including Kemp-Gee Management Jersey Ltd., Keyselex Mgrs. Jersey Ltd., and others. Columns include fund name, manager, and performance metrics.

BASE LENDING RATES table listing various banks and their respective interest rates for different terms.

Table of unit trusts and managers including Midland Trust Managers Ltd., National and Commercial, and others.

INSURANCE, PROPERTY, BONDS

Table of insurance, property, and bond products including Abbey Life Assurance Co. Ltd., Equitry & Law Life Ass. Soc. Ltd., and others.

ISTORY TODAY
The JUBILEE NUMBER June 1977
QUEEN VICTORIA'S JUBILEES
Joanna Richardson
ing the two Victorian Jubilees Britain
ed an imperial grandeur which was displayed
in the Queen's celebrations.
ROYAL REVIEWS AT SPITHEAD
Geoffrey Bennett
deep water channel that leads into Ports-
mouth Dockyard has been the scene of naval
reviews by many monarchs since Henry VIII.
NOW ON SALE 50p
£6.70 p.a. from Bracken House, Cannon St., London EC4

Table of unit trusts and managers including New Court Fund Managers Ltd., Norwich Union Insurance Group, and others.

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-283 1101
Index Guide as at 21st June, 1977 (Base 100 at 14.1.77)
Clive Fixed Interest Capital 113.55
Clive Fixed Interest Income 104.60
CORAL INDEX: Close 440-445
INSURANCE BASE RATES
Property Growth 9.1%
Cannon Assurance 5.7%

CHRISTIE & CO
 52 BAKER STREET LONDON W1 0 8 6 2
 Specialists in the sale of
 privately owned businesses
 & companies
 VALUERS - LICENSED DEALERS

FT SHARE INFORMATION SERVICE

BRIEFING FUNDS

High	Low	Stock	Price	% Chg	Yield
101.95	99.50	Treasury 11/2	100.00	-	11.30
101.95	99.50	Treasury 10 3/4	100.00	-	10.75
101.95	99.50	Treasury 10 1/2	100.00	-	10.25
101.95	99.50	Treasury 10	100.00	-	9.75
101.95	99.50	Treasury 9 3/4	100.00	-	9.25
101.95	99.50	Treasury 9 1/2	100.00	-	8.75
101.95	99.50	Treasury 9	100.00	-	8.25
101.95	99.50	Treasury 8 3/4	100.00	-	7.75
101.95	99.50	Treasury 8 1/2	100.00	-	7.25
101.95	99.50	Treasury 8	100.00	-	6.75
101.95	99.50	Treasury 7 3/4	100.00	-	6.25
101.95	99.50	Treasury 7 1/2	100.00	-	5.75
101.95	99.50	Treasury 7	100.00	-	5.25
101.95	99.50	Treasury 6 3/4	100.00	-	4.75
101.95	99.50	Treasury 6 1/2	100.00	-	4.25
101.95	99.50	Treasury 6	100.00	-	3.75
101.95	99.50	Treasury 5 3/4	100.00	-	3.25
101.95	99.50	Treasury 5 1/2	100.00	-	2.75
101.95	99.50	Treasury 5	100.00	-	2.25
101.95	99.50	Treasury 4 3/4	100.00	-	1.75
101.95	99.50	Treasury 4 1/2	100.00	-	1.25
101.95	99.50	Treasury 4	100.00	-	0.75
101.95	99.50	Treasury 3 3/4	100.00	-	0.25
101.95	99.50	Treasury 3 1/2	100.00	-	-
101.95	99.50	Treasury 3	100.00	-	-
101.95	99.50	Treasury 2 3/4	100.00	-	-
101.95	99.50	Treasury 2 1/2	100.00	-	-
101.95	99.50	Treasury 2	100.00	-	-
101.95	99.50	Treasury 1 3/4	100.00	-	-
101.95	99.50	Treasury 1 1/2	100.00	-	-
101.95	99.50	Treasury 1	100.00	-	-
101.95	99.50	Treasury 3/4	100.00	-	-
101.95	99.50	Treasury 1/2	100.00	-	-
101.95	99.50	Treasury 1/4	100.00	-	-
101.95	99.50	Treasury 1/8	100.00	-	-

CANADIANS

High	Low	Stock	Price	% Chg	Yield
113.00	111.00	Bank of Montreal	112.00	-	5.00
113.00	111.00	Bank of Toronto	111.50	-	5.00
113.00	111.00	Bank of Nova Scotia	111.00	-	5.00
113.00	111.00	Bank of New Brunswick	110.50	-	5.00
113.00	111.00	Bank of New South Wales	110.00	-	5.00
113.00	111.00	Bank of Queensland	109.50	-	5.00
113.00	111.00	Bank of Western Australia	109.00	-	5.00
113.00	111.00	Bank of South Africa	108.50	-	5.00
113.00	111.00	Bank of India	108.00	-	5.00
113.00	111.00	Bank of Ceylon	107.50	-	5.00
113.00	111.00	Bank of Malaya	107.00	-	5.00
113.00	111.00	Bank of East Africa	106.50	-	5.00
113.00	111.00	Bank of East Africa	106.00	-	5.00
113.00	111.00	Bank of East Africa	105.50	-	5.00
113.00	111.00	Bank of East Africa	105.00	-	5.00
113.00	111.00	Bank of East Africa	104.50	-	5.00
113.00	111.00	Bank of East Africa	104.00	-	5.00
113.00	111.00	Bank of East Africa	103.50	-	5.00
113.00	111.00	Bank of East Africa	103.00	-	5.00
113.00	111.00	Bank of East Africa	102.50	-	5.00
113.00	111.00	Bank of East Africa	102.00	-	5.00
113.00	111.00	Bank of East Africa	101.50	-	5.00
113.00	111.00	Bank of East Africa	101.00	-	5.00
113.00	111.00	Bank of East Africa	100.50	-	5.00
113.00	111.00	Bank of East Africa	100.00	-	5.00

BUILDING INDUSTRY—Continued

High	Low	Stock	Price	% Chg	Yield
113.00	111.00	Anglo Siam Corp	112.00	-	5.00
113.00	111.00	Anglo Siam Corp	111.50	-	5.00
113.00	111.00	Anglo Siam Corp	111.00	-	5.00
113.00	111.00	Anglo Siam Corp	110.50	-	5.00
113.00	111.00	Anglo Siam Corp	110.00	-	5.00
113.00	111.00	Anglo Siam Corp	109.50	-	5.00
113.00	111.00	Anglo Siam Corp	109.00	-	5.00
113.00	111.00	Anglo Siam Corp	108.50	-	5.00
113.00	111.00	Anglo Siam Corp	108.00	-	5.00
113.00	111.00	Anglo Siam Corp	107.50	-	5.00
113.00	111.00	Anglo Siam Corp	107.00	-	5.00
113.00	111.00	Anglo Siam Corp	106.50	-	5.00
113.00	111.00	Anglo Siam Corp	106.00	-	5.00
113.00	111.00	Anglo Siam Corp	105.50	-	5.00
113.00	111.00	Anglo Siam Corp	105.00	-	5.00
113.00	111.00	Anglo Siam Corp	104.50	-	5.00
113.00	111.00	Anglo Siam Corp	104.00	-	5.00
113.00	111.00	Anglo Siam Corp	103.50	-	5.00
113.00	111.00	Anglo Siam Corp	103.00	-	5.00
113.00	111.00	Anglo Siam Corp	102.50	-	5.00
113.00	111.00	Anglo Siam Corp	102.00	-	5.00
113.00	111.00	Anglo Siam Corp	101.50	-	5.00
113.00	111.00	Anglo Siam Corp	101.00	-	5.00
113.00	111.00	Anglo Siam Corp	100.50	-	5.00
113.00	111.00	Anglo Siam Corp	100.00	-	5.00

DRAPERY AND STORES—Continued

High	Low	Stock	Price	% Chg	Yield
113.00	111.00	Anglo Siam Corp	112.00	-	5.00
113.00	111.00	Anglo Siam Corp	111.50	-	5.00
113.00	111.00	Anglo Siam Corp	111.00	-	5.00
113.00	111.00	Anglo Siam Corp	110.50	-	5.00
113.00	111.00	Anglo Siam Corp	110.00	-	5.00
113.00	111.00	Anglo Siam Corp	109.50	-	5.00
113.00	111.00	Anglo Siam Corp	109.00	-	5.00
113.00	111.00	Anglo Siam Corp	108.50	-	5.00
113.00	111.00	Anglo Siam Corp	108.00	-	5.00
113.00	111.00	Anglo Siam Corp	107.50	-	5.00
113.00	111.00	Anglo Siam Corp	107.00	-	5.00
113.00	111.00	Anglo Siam Corp	106.50	-	5.00
113.00	111.00	Anglo Siam Corp	106.00	-	5.00
113.00	111.00	Anglo Siam Corp	105.50	-	5.00
113.00	111.00	Anglo Siam Corp	105.00	-	5.00
113.00	111.00	Anglo Siam Corp	104.50	-	5.00
113.00	111.00	Anglo Siam Corp	104.00	-	5.00
113.00	111.00	Anglo Siam Corp	103.50	-	5.00
113.00	111.00	Anglo Siam Corp	103.00	-	5.00
113.00	111.00	Anglo Siam Corp	102.50	-	5.00
113.00	111.00	Anglo Siam Corp	102.00	-	5.00
113.00	111.00	Anglo Siam Corp	101.50	-	5.00
113.00	111.00	Anglo Siam Corp	101.00	-	5.00
113.00	111.00	Anglo Siam Corp	100.50	-	5.00
113.00	111.00	Anglo Siam Corp	100.00	-	5.00

ENGINEERING—Continued

High	Low	Stock	Price	% Chg	Yield
113.00	111.00	Anglo Siam Corp	112.00	-	5.00
113.00	111.00	Anglo Siam Corp	111.50	-	5.00
113.00	111.00	Anglo Siam Corp	111.00	-	5.00
113.00	111.00	Anglo Siam Corp	110.50	-	5.00
113.00	111.00	Anglo Siam Corp	110.00	-	5.00
113.00	111.00	Anglo Siam Corp	109.50	-	5.00
113.00	111.00	Anglo Siam Corp	109.00	-	5.00
113.00	111.00	Anglo Siam Corp	108.50	-	5.00
113.00	111.00	Anglo Siam Corp	108.00	-	5.00
113.00	111.00	Anglo Siam Corp	107.50	-	5.00
113.00	111.00	Anglo Siam Corp	107.00	-	5.00
113.00	111.00	Anglo Siam Corp	106.50	-	5.00
113.00	111.00	Anglo Siam Corp	106.00	-	5.00
113.00	111.00	Anglo Siam Corp	105.50	-	5.00
113.00	111.00	Anglo Siam Corp	105.00	-	5.00
113.00	111.00	Anglo Siam Corp	104.50	-	5.00
113.00	111.00	Anglo Siam Corp	104.00	-	5.00
113.00	111.00	Anglo Siam Corp	103.50	-	5.00
113.00	111.00	Anglo Siam Corp	103.00	-	5.00
113.00	111.00	Anglo Siam Corp	102.50	-	5.00
113.00	111.00	Anglo Siam Corp	102.00	-	5.00
113.00	111.00	Anglo Siam Corp	101.50	-	5.00
113.00	111.00	Anglo Siam Corp	101.00	-	5.00
113.00	111.00	Anglo Siam Corp	100.50	-	5.00
113.00	111.00	Anglo Siam Corp	100.00	-	5.00

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	% Chg	Yield
113.00	111.00	Anglo Siam Corp	112.00	-	5.00
113.00	111.00	Anglo Siam Corp	111.50	-	5.00
113.00	111.00	Anglo Siam Corp	111.00	-	5.00
113.00	111.00	Anglo Siam Corp	110.50	-	5.00
113.00	111.00	Anglo Siam Corp	110.00	-	5.00
113.00	111.00	Anglo Siam Corp	109.50	-	5.00
113.00	111.00	Anglo Siam Corp	109.00	-	5.00
113.00	111.00	Anglo Siam Corp	108.50	-	5.00
113.00	111.00	Anglo Siam Corp	108.00	-	5.00
113.00	111.00	Anglo Siam Corp	107.50	-	5.00
113.00	111.00	Anglo Siam Corp	107.00	-	5.00
113.00	111.00	Anglo Siam Corp	106.50	-	5.00
113.00	111.00	Anglo Siam Corp	106.00	-	5.00
113.00	111.00	Anglo Siam Corp	105.50	-	5.00
113.00	111.00	Anglo Siam Corp	105.00	-	5.00
113.00	111.00	Anglo Siam Corp	104.50	-	5.00
113.00	111.00	Anglo Siam Corp	104.00	-	5.00
113.00	111.00	Anglo Siam Corp	103.50	-	5.00
113.00	111.00	Anglo Siam Corp	103.00	-	5.00
113.00	111.00	Anglo Siam Corp	102.50	-	5.00
113.00	111.00	Anglo Siam Corp	102.00	-	5.00
113.00	111.00	Anglo Siam Corp	101.50	-	5.00
113.00	111.00	Anglo Siam Corp	101.00	-	5.00
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ELECTRICAL AND RADIO

High	Low	Stock
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INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

MOTORS, AIRCRAFT TRADES

Table listing various motor and aircraft related companies such as Rover, Jaguar, and British Aerospace.

PROPERTY—Continued

Table of property-related stocks including companies like British Land and National Westminster.

TRUSTS—Continued

Table of trust and investment funds such as British Trustee and National Trust.

TRUSTS—Continued

Table of trust and investment funds, including various international and domestic trusts.

DAWA SECURITIES advertisement with logo and contact information for international financial services.

CENTRAL AFRICAN table listing stocks from the Central African region.

AUSTRALIAN table listing stocks from Australia.

TINS table listing tin-related stocks.

COPPER table listing copper-related stocks.

MISCELLANEOUS table listing various other stocks.

NOTES section providing detailed financial notes and company information for various stocks.

TEAS table listing tea-related stocks.

INDIA AND BANGLADESH table listing stocks from India and Bangladesh.

AFRICA table listing African stocks.

MINES table listing mining-related stocks.

CENTRAL RAND table listing stocks from the Central Rand region.

EASTERN RAND table listing stocks from the Eastern Rand region.

FAR WEST RAND table listing stocks from the Far West Rand region.

O.F.S. table listing Overseas Financial Services.

FINANCE table listing various financial instruments and services.

SHIPPERS, REPAIRERS table listing shipping and repair companies.

SHIPPING table listing shipping companies and routes.

SOUTH AFRICANS table listing South African stocks.

TEXTILES table listing textile-related stocks.

PAPER, PRINTING, ADVERTISING table listing paper and printing companies.

PROPERTY table listing property-related stocks.

TOBACCO table listing tobacco-related stocks.

TRUSTS, FINANCE, LAND table listing trusts, finance, and land-related stocks.

INSURANCE table listing insurance-related stocks.

REGIONAL MARKETS table listing regional market data.

3-month Call rates table listing call rates for 3 months.

DIAMOND AND PLATINUM table listing diamond and platinum-related stocks.

Options table listing various options contracts.

Options table listing various options contracts.

Additional notes and information regarding the regional markets and options.

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Healey and TUC start pay talks

BY ALAN PIKE, LABOUR STAFF

TUC LEADERS last night emerged from the start of formal negotiations with the Government on the shape of pay policy after next month convinced that they are succeeding in persuading the Chancellor that rigid pay norms must end with Phase Two.

Asked after the meeting whether the Chancellor was looking for pay guidelines in the coming year which set figures in the way the present policy does Mr. Len Murray, TUC general secretary replied: "He has accepted our view that it would be wrong to think in terms of Phase Three."

Common basis
This is the position from which the TUC will negotiate in the detailed discussions which are certain to follow yesterday's opening meeting.

Labour paper urges tight grip on multinationals
TOUGHER Government control of foreign-based multinational companies operating in the U.K. and a new foreign investment unit to monitor their activities are the main proposals in a draft paper which will be considered next month by the Labour Party's national executive committee.

Rees promises inquiry
general secretary of APEX and other responsible trade unionists regarded it.

Continued from Page 1
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Schmidt survives censure vote

By Jonathan Carr

BONN, June 21. CHANCELLOR Helmut Schmidt tonight survived a Parliamentary censure vote—one of a series of efforts by the opposition to split and defeat the Government coalition.

Even if the motion of Censure had been approved, Herr Schmidt would not have been forced under the constitution to step down. This can only be done through a so-called constructive vote of no confidence which, if carried, elects one chancellor and automatically elects a successor.

Tough test
The opposition has decided to vote against the defence budget on Thursday, putting the coalition to another tough test.

Continued from Page 1
Unemployment
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OPEC majority agrees to drop 5% oil rise

BY OUR FOREIGN STAFF

THE MAJORITY group of 11 members of the Organisation of Petroleum Exporting Countries have formally notified Saudi Arabia of its decision not to go ahead with a further 5 per cent increase in the price of oil.

Cryptic
Sheikh Yamani added cryptically in the interview published yesterday: "Saudi Arabia will determine their position on the raising of prices in the light of this."

Ford lays off 16,000 after Dagenham row
THE NUMBER of car workers laid off at Ford plants throughout Britain reached 16,000 yesterday with no prospect of an early settlement to the strike by 600 Dagenham workers, over 187,000 pay.

Air talks near agreement
SHORTLY BEFORE midnight last night Britain and the U.S. appeared to have virtually sewn the basis of a new air services pact to replace the Bermuda agreement.

Weather
U.K. TO-DAY
DRY with sunny periods. London, S.E., W. Cent. England, Midlands, E. Angles, Channel Islands, Dry sunny periods developing. Wind N.E. light, Max 16C (61F).

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Bitter bother for Allied

THE LEX COLUMN

Allied Breweries' pre-tax profits after six months are 41 per cent ahead at £39.4m. and turnover is up by a third. But after allowing for last year's Birmingham strike, which cost the group £2m., and stripping out an extra £3.2m. from new acquisitions (principally Teacher), the growth in pre-tax profits drops to a tenth. This does not compare well with 26 per cent at Bass Charrington, for example.

Index fell 3.2 to 442.0
Part of the explanation for the relatively poor performance is Allied's continued heavy exposure to the keg bitter market—Double Diamond is the market leader—where sales volume is falling away as drinkers switch to lager.

Continued from Page 1
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3 No additional repair or maintenance costs attributable to lay up, and some savings.
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